

BY JUREK MARTIN, KANSAS CITY, AUGUST 17

Support

U.K. bids for share in £60m. railway orders

BY QUENTIN PEEL

Fair Trading Office submits advice on Tate & Lyle bid

BY KEITH LEWIS

FINANCIAL TIMES

Today's Financial Times has been affected by a ban by members of the National Graphical Association on the handling of material supplied by three news agencies—Reuters, the Press Association and Exchange Telegraph.

We regret that, as a result of an internal dispute within the NGA, there is bound to be some curtailment of our news and financial services until the matter is resolved.

By Peter Riddell

Strength

Spot	\$1.7550-71 ¹ / ₂	\$1.7720-78 ¹ / ₂
1 month	1.25-1.14 ¹ / ₂ ds	1.34-1.31 ¹ / ₂ ds
3 months	3.55-3.42 ¹ / ₂ ds	3.60-3.48 ¹ / ₂ ds
12 months	11.80-11.40 ds	11.72-11.30 ds

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

Budget. But consumer spending should receive a stimulus in the second-half of the year from the tax changes and rebates and

there are several implicit indices

of the rest is a result of a higher level of activity in transport services, including, for example, road haulage.

BY QUENTIN PEEL

Fair Trading Office submits advice on Tate & Lyle bid

BY KEITH LEWIS

No official indication of the Office's advice was forthcoming yesterday. But the Stock Market was clearly anticipating a reference with "Mambré" to the lower 153 and Tate higher by 2 1/2 at 242 1/2.

Opposition to the proposed take-over has been strong. Apart from fierce resistance by the Mambré Board, advised by merchant banker S. G. Warburg,

The Secretary of State must also find a solution to Amalgamated Industrial's continuing defiance over its 38 per cent. stake in Loughborough Grange mill, Robert Morris.

Amalgamated was informed last May that its bid for Morris was "against the public interest" and the Monopolies Commission recommended that the stake be reduced to under 10 per cent.

Amalgamated has not


BY ARTHUR SMITH

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from the C

City for

Sir Geoffrey Howe




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Some capital offences

BY ANTHONY HARRIS

This country has a ramshackle, burdensome and inefficient tax system, which causes suffering out of proportion to the revenue it raises; and one might suppose that it was difficult to devise any change which would not be an improvement. Alas, this is to underestimate the ingenuity of our Chancellors of the Exchequer. It is in fact much easier to think of tax reforms which have made the system worse than of constructive changes.

Indeed, remembering some of the changes which have been introduced one is almost at a loss for temperate comment. Chancellors not only do stupid things, but they seem to be especially blind to the interests they are supposed best to understand. Thus it was Mr. Roy Jenkins who abolished the lower rates of income tax, thus greatly deepening the already troublesome poverty trap, and came near to abolishing any incentive to work for less than the national average wage.

Creditable

When Mr. Anthony Barber came along, he planned to attack this mess through his tax credit scheme, a highly creditable notion, attacked by the Labour party for the worst and most persistent of British reasons—Not Invented Here.

However, this same Mr. Barber, asked by his leader to apply some thick cosmetics to the unacceptable face of capitalism, came up with the Development Gains Tax and the first letting charge. Since the property boom was simply and solely the result of idiotic monetary policy, this was a good example of another British habit: fighting insanity with insanity. More important in this context, however, is the fact that it is yet another symptom of what appears to be a constitutional disability of the Treasury, its inability to devise any sensible way of taxing capital.

There seem to be three basic reasons why Chancellors cannot understand capital: the first is simply silly, while the other two show something like corrupt intentions. The silly one is the notion that it is somehow immoral or destructive to levy taxes on capital rather than on income. This represents a kind of economic fallacy—the idea that the State is somehow an individual writ large.

The sad fact is that the Treasury has been singularly unsuccessful—except during periodic exchange crises—in persuading politicians of the important truth that there is a limit to the burden of social-

spending overhead, and especially to the rate of growth of that burden, which a prosperous economy can carry; but its pale and delusory reflection, the idea that it is imprudent to levy a tax on capital, seems to have been engraved for ever on our political consciousness. If only we realised that spending, not taxing, is the real issue, we might have constrained the growth of the spending burden—and financing public expenditure by borrowing is the surest way of living off capital—and been able to concentrate on some sensible notion of taxable capacity. It would then be seen that the rich—rich in the capital sense—could well bear a bigger share of the burden of public spending which it is sensible to impose; and thus the earners, those who make wealth rather than owning it, could carry a correspondingly smaller one.

Given this fundamental error, the detailed mistakes which followed are easier to understand. They are no easier to forgive, however, for they seem to have been inspired by thoroughly discreditable reasons. Among the offenders have been men who wished to be remembered as reforming Chancellors—Mr. Selwyn Lloyd and Mr. James Callaghan, for example. Their taxation measures—Mr. Lloyd's speculative gains tax, and Mr. Callaghan's extension of this to a capital gains tax, and Mr. Healey's capital transfer tax—seem to have been inspired by a wish to pander to envy, which is discreditable.

Tax evasion

The whole notion that the realisation or transfer of capital constitutes what has become known as a taxable event is in fact based on total muddle-headedness. It is an attempt to tax capital without incurring a direct charge of doing so; in fact it distorts markets, has created a major tax evasion industry, and through inflation, it has imposed a major injustice on capital holders, who are taxed on non-existent "gains". Since it also produces a derisory flow of revenue, the whole exercise has been a waste of time even from the Treasury point of view.

But if all this was foolish, one act was near criminal: the abolition of Schedule "A" taxation on the benefits of owning a house. The damage and distortion which has been caused to the British economy by the desire of successive Chancellors to buy the votes of owner-occupiers (of whom I am one, I might add) cannot be summed up in a sentence or two; a future column will be all too short.

GARDENS TO-DAY

Dry answers to rainless summer gardening

BY ROBIN LANE FOX

FORECASTS of drought until 1977 are casting a very long shadow over this column. Must we look forward to another year of hot summers and those inexhaustible courgettes? If so, it may well prove too much for some of our oldest hedgerow trees, not least for the big beeches which mop up so much water from the ground and which are beginning to droop so ominously.

There is not much advice worth giving in such seasons. I intend to cover the beds of smaller alpine, for which I care most with a layer of gravel as soon as we have a few thunderstorms. The centre of a heap of gravel is always damp, however, and the summer, and a blanket of gravel is well suited to plants from the stony slopes of a mountain. In wet seasons it hastens the rot of plants which would otherwise rot the necks of the alpine plants, their most vulnerable point. In dry summers it should keep the water down in the soil. I do not think it will look too ugly.

Although I have never understood those who insist on being kept warm in winter and cool in summer, I can understand how a layer of gravel could be an alpine blanket for all seasons.

If our gardens are indeed to be so dry, can we console ourselves with the prospect of plants which most of us have not been able to grow hitherto? Much depends on the likely temperature of the winter. Sharp frosts and dry springs, summer and autumn are not straightforward combination. If we do now have a cold winter, I believe that opinions about the hardness of many shrubs will have to be altered.

Sheltered

During these past two summers the wood of the quick-growing shrubs from marginal climates, especially the Antipodes, has been properly ripened by hot sun. I think that Hebes, Callistemon and the more exotic Buddleias will now be able to stand a sharper winter than we have often assumed. But not a winter as cold as those of the 'sixties. Of course, they must be planted in a sheltered bed, but their extremely quick rate of growth would be so welcome to the British gardener who must otherwise turn to the

coarser sort of conifer for a surface of the ground and some sharp sand should be scattered underneath them so that they do not rot on anything which might rot them. The hole dug for them should be some two or three feet wide.

Splendid

Like most of the plants which will grow in dry climates, the Eremurus has thick fleshy roots which search deeply for water. Their soil can include lime or even chalk, but it must drain very sharply. I dug sharp sand deep into the hole for my last clump and if they had not run into the wet winter of 1974, I am sure that they would still be happily multiplying. At Highdown, it was thought best to divide a clump as soon as it was big enough to bear four flower stems in one season. Division was found to be essential and best contrived by levering on two long forks sunk either side of the clump. Unfortunately, my crowns never reach that happy stage.

Among the varieties which the big bulb merchants offer, the Highdown hybrids are brightly coloured and excellent. If correctly named, they derive from the best British clump, the Sheldor hybrids, which are equally splendid and may range through pinks, yellows and orange if you can ever afford them. The wild variety called Robustus is quite often to be seen in catalogues and is most remarkable. I used to work among a large group of these plants below the huge public mountain garden in Munich, yet their flower stems, some eight feet tall, were not out of keeping with the rocks and alpine around them. Not once did they need to be staked or protected against wind and rain, a measure of their stoutness and toughness. Their pinkish-white brushes of flower dominated the whole garden in late May.

Often, gardeners ask what would be happy on one of those lines of chalk gardens in Hampshire and Sussex which are not really to the liking of many old roses or modern hybrid teas. One hesitates to mention the Eremurus in years when the ground is as sodden as usual. But if you can imagine fire, dry summers in a row, you should consider sowing some of its obliging seed and looking forward to a bed of Foxtail Lilies, the most spectacular plant for gardens which go without rain.

Scattered

Living in such dry places, the Foxtail Lily has to be quick about growing and flowering. In April and early May, you can almost see it moving, as its long strap-like leaves push slowly upwards and the flower stem, up to six feet tall, begins its rapid ascent. The flowers are borne like an upright fox's brush, tapering to a point after nearly two feet of buds at the stem's summit. They stand like leaves pushed slowly upwards, white or yellow brush in May and dominate any garden with space for such a bold sight. Afterwards, the leaves lengthen and bend over rather messily and the clump ceases to be attractive. Several varieties are offered, normally through bulb merchants, and as their performances are not obvious, I had better go through them carefully. The Eremurus batesii springs frost, high wind and a sudden clump. Experiment at Highdown proved that a covering of straw or branches in winter over the crowns of the plant encouraged slugs and snails; the clumps were better left to take their chance. They have to be planted carefully. The crowns should settle at least three inches below the

CRICKET: FIFTH TEST

Holding again England batsmen

THANKS to another superb spell of pace bowling by Holding, West Indies beat England at the Oval with an ease which would never have been possible on a pitch which has remained so docile throughout.

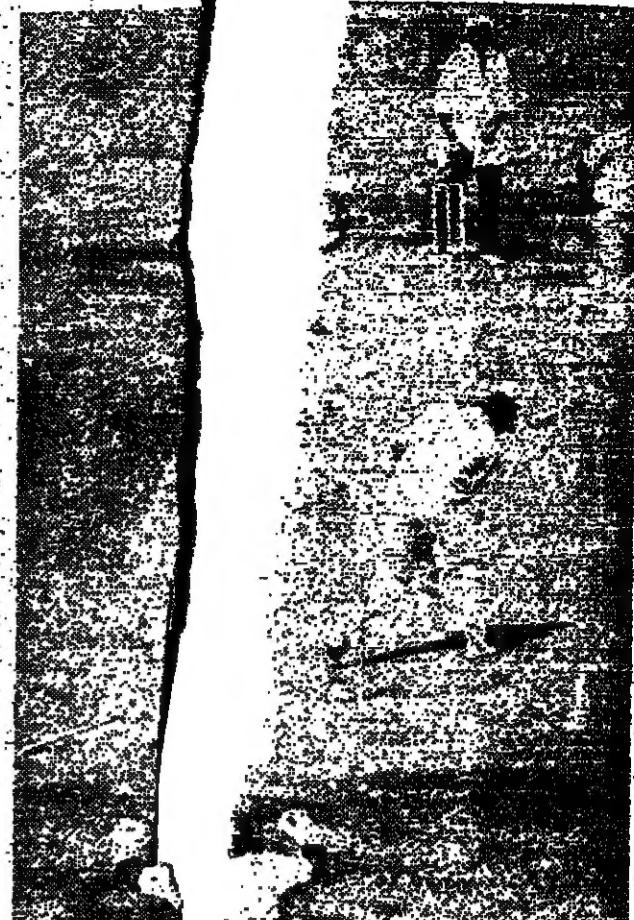
The English batting, not for the first time this summer, proved painfully inept and insecure against speed and were dismissed for a mere 253. There was a sad lack of dedication and application.

This handsome victory—it should be remembered that the West Indies declared their second innings at 182 for 0—simply underlined the enormous difference between the two sides. They have won three and drawn two of the five Tests and we have been comprehensively outplayed in every department.

Possibly even more disturbing is the fact that we do not appear to have discovered any fresh young talent. The situation calls for a drastic rethinking of policy. England have been slaughtered with embarrassing ease by a team that suffered the same fate themselves last winter at the hands of the Australians, who will be with us next summer.

Our needs are obvious but where to find the batsmen and bowlers is a different matter. I am convinced that our selectors

WEST INDIES: 687 for 5 dec. and 182 for 0 dec. ENGLAND: 435 and 203.



by a very fast Yorker. When Holding was released after bowling for an hour and 25 minutes the England innings was in ruins and his figures were eight overs, one maiden, four wickets for 33 runs.

Knott, who joined Steele with the score at 78 for 3, proceeded to play sensibly and show that batting was not quite the impossible task which the efforts of most of the other players had suggested. This pair was still together at lunch when the total was 128.

In the afternoon Steele and Knott presented broad bats until shortly before 3 p.m. the former was caught behind off Holder for 42. Knott then found another determined partner in young Miller, who joined until the total had reached 196 when he was rather surprisingly bowled by Richards, but not before Knott had completed an admirable half-century.

This meant the arrival of the first member of the tail and the immediate return of Holding and

Tony Greig, who from before the first Test England would make a last innings in series. He scored one bowler: Michael Holding.

Underwood was caught by Lloyd to give his first wicket of the match. Holding, appropriately, caught the run when he had 11. His final figures 20-3-6-57-4.

Not only had he taken wickets to match the other West Indian fast bowler but he had achieved the admirable feat on a pitch gave him no assistance. If I have ever seen a sustained performance of genuine fast bowling

RACING

BY DOMINIC WIG

Beau Dutch looks good value

BEAU DUTCH, who returned to something like his best form in Goodwood's Haysbott Handicap after an inexplicably poor showing in the Moorland Brewery Trophy at Newbury, can give Michael Spence a welcome tonic by landing today's Tote-sponsored Ebor.

Stout, injured with his wife and Robert Armstrong in a car accident a week ago, has always held a high opinion of Beau Dutch, and I am hoping that this Ribblesdale three-year-old will live up to his trainer's expectations.

Blinded for the first time in the Haysbott Handicap, Beau Dutch struggled on well when headed 11 furlongs from home by Tug of War to whom he was trying to concede 5 lbs. At the line, he was only two lengths short of the winner who had previously run Hill Station to length in a competitive handicap at Folkestone.

Provided that he can be kept in touch with the leaders in the early stages, I feel confident that Beau Dutch, one of the bottom weights with 7 at 7 lb, will give his supporters a fine run for their money.

At expected odds of around 14-1, he appeals as far better value than the hot favourite Sir Montagu, who may find this 11 miles trip just beyond his optimum distance.

YORK: 2.00—Pippa's Pride. 2.30—Hand Cante. 3.10—Beau Dutch. 3.40—Belkmo. 4.10—Ad Lib R. 4.45—Jumbop. 5.15—Mid Bear.

BRIGHTON: 3.00—Red Ruby. 3.30—Red Dawn. 4.00—Counterfeit Lady. 4.30—Empress of Russia.

Half and hour after the Tote Ebor, a fascinating race is in prospect for the Great Voltigeur Stakes when several smart three-year-olds, including General Inverness, Illustrious Prince, and Scallywag, will be trying to underlie their St. Leger claims. Here, I intend to take a chance with Reliance, who found the 11 miles of Sandown's Joe Coral Eclipse too sharp for him when

APPOINTMENTS

Rubery Owen executive post

Mr. Arthur Makin has been appointed managing director of RUBERY OWEN (WARRINGTON), succeeding Mr. Clem Musket who has retired on medical advice.

Mr. E. W. Absolon is managing director of the changes follow an agreement by Crystalite to acquire Alpac.

Mr. R. N. Orrell has been appointed managing director of the PEMBERTON CARAVANS group.

Mr. R. T. Edwards, London oil chairman of the BANK OF SCOTLAND, has been appointed senior representative, oil and international divisions, London.

Mr. A. E. P. Clarke, Mr. R. M. Cox-Johnson, Mr. R. F. Macaire and Mr. N. J. C. Stone have been appointed directors of the AMERICAN BOND AND SHARE HOLDERS and its two subsidiary, English Association Investment Trust and English Shareholders' Nominees. Mr. R. D. Oakley, Mr. E. R. Merriman and Mr. S. W. Wardlaw have retired as directors.

Mr. R. Creed has been appointed finance director and company secretary of NU-WAY HEATING PLANTS, succeeding Mr. F. T. G. Pellard. The company is a member of the Wolsey-Hughes Group.

Mr. Sydney Jeal has been appointed chief executive of ENGINEERING where Mr. STANLEY MOTORS, the national retail

sales division of Quinton (Holdings), a member of B. O. M. who has been with the company for many years previously managing it of Partco.

Mr. J. M. MacKinnon has been appointed managing director of PLATT SAGO LOWE place of Mr. W. Thorley, who became operations director of Soring and Sons (Engl). Both companies are members of the Stone-Platt Indu group.

Mr. R. W. Millard has been appointed to the BRITISH CELLOPHANE and personnel director and secretary. He was previously group personnel manager.

Mr. Bernard A. Bain has been appointed commercial director of the ENGLISH ASSOCIATION OF DEVELOPMENT IN NATIONAL.

ANSACHER (C. L.) has appointed its Board which comprises: Mr. J. M. MacKinnon, managing director; Mr. A. C. Bousmales and Mr. A. C. executive directors; and Messrs. Soring and Sons (Engl), director. The group has been moved to La Place St. Peter, Port where both a new party on business and a party on business.

It is previously stated, it intended to merge the two under one name Ansacher by the end of March 1977.

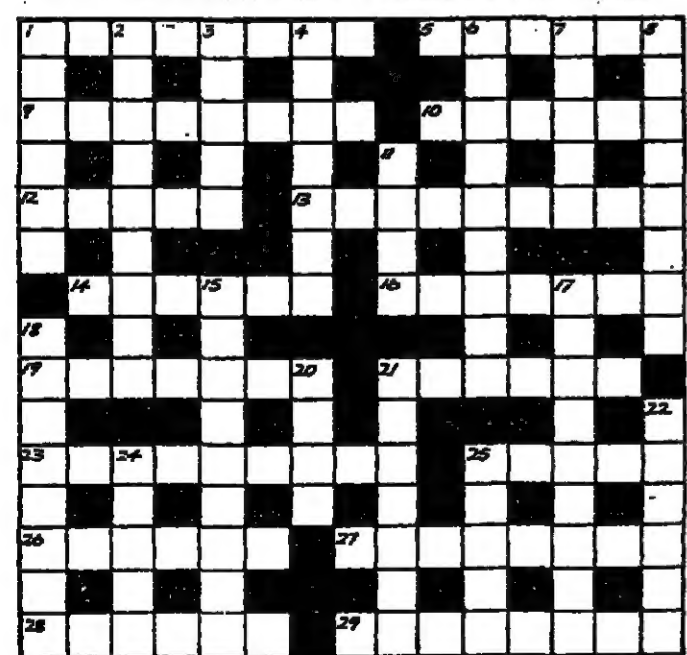
TV/Radio

† Indicates programme in black and white

BBC 1

7.05 a.m. Open University (UHF only), 9.05 Dastardly and Muttley in their flying machines, 9.15 Jackanory, 9.30 Devlin, 9.50 Roadbar, 9.55 Country Search, 10.35 Cricket: Gillette Cup Semi-finals, 1.15 p.m. News, 1.30 Sod, 1.45 Cricket: Gillette Cup, 4.55 Regional News (except London), 4.55 Play School, 4.55 Speed Buggy, 5.15 Ask Aspel, 5.40 Magic Roundabout, 5.45 News.

F.T. CROSSWORD PUZZLE No. 3160



- ACROSS
- 1 Manage to keep grip on part of Ireland (4, 4)
 - 5 Alarmed by a frightful start to sudden attack (6)
 - 9 Given a treat when removed (5, 3)
 - 10 Dog out (6)
 - 12 Dodge notice put in day before (5)
 - 13 Deep snow abroad made to go gradually (5, 4)
 - 14 Caught by rush to become pure (6)
 - 16 IRA man is in condition (7)
 - 19 Get the better of Hamlet in the open air (7)
 - 21 Father's boy to send down the line (4, 2)
 - 23 Horse dealer has part of Bible to overcome (3, 6)
 - 25 Female warrant officer joins husband (5)
 - 26 Part of breakfast for the more fourthly (6)
 - 27 Latin without remedy is a chrysalis (8)
 - 29 About to dust? Far from it (6)
- DOWN
- 1 Strike female here (6)
 - 2 Want small whisky? You bet (4, 1, 4)
 - 3 No scholar goes with debt collector to church (6)
 - 4 Might become aspiring (5, 2)

BBC 2

6.00 Nationwide, 6.50 Man and Boy, 7.15 It's a Knock-out, 8.30 Are You Being Served?, 9.00 News, 9.25 Explorers, 10.15 Band Beat, 10.50 The War Lords (Churchill), 11.30 Panorama Special: Ford or Reagan... The decisive ballot, 11.50 Weather/Regional News, 12.15 Band Beat, 12.45 All Regions as BBC 1 except at the following times:— 1.45 Wales—4.50 p.m. Bie Ond... (America in Film and Song), 5.10-5.15 Crystal Tipps and Alistair.

BBC 2

6.40 a.m. Open University, 10.35 Nal Zindagi Naya Jeevan, 11.00 Play School, 11.45 Cricket: Gillette Cup Semi-finals, 1.15 p.m. News, 1.30 Sod, 1.45 Cricket: Gillette Cup, 4.55 Regional News (except London), 4.55 Play School, 4.55 Speed Buggy, 5.15 Ask Aspel, 5.40 Magic Roundabout, 5.45 News.

LONDON

9.45 a.m. Sally and Jake, 10.00 Summer School, 10.30 Cartoon Time, 11.00 Certain Women, 11.50 Cartoon Time, 12.00 The Adventures of Rupert Bear, 12.10 p.m. Hickory House, 12.25 Mitchell Memories, 1.00 First Report, 1.30 Lunch-time Today, 1.30 Crown Court, 2.00 The Best of Good Afternoon, 2.20 Racing from

RADIO 1

6.00 a.m. News, 6.30 News, 6.50 News, 7.00 News, 7.15 News, 7.30 News, 7.45 News, 8.00 News, 8.15 News, 8.30 News, 8.45 News, 9.00 News, 9.15 News, 9.30 News, 9.45 News, 10.00 News, 10.15 News, 10.30 News, 10.45 News, 11.00 News, 11.15 News, 11.30 News, 11.45 News, 12.00 News, 12.15 News, 12.30 News, 12.45 News, 1.00 News, 1.15 News, 1.30 News, 1.45 News, 1.50 News, 2.00 News, 2.15 News, 2.30 News, 2.45 News, 3.00 News, 3.15 News, 3.30 News, 3.45 News, 4.00 News, 4.15 News, 4.30 News, 4.45 News, 5.00 News, 5.15 News, 5.30 News, 5.45 News, 6.00 News, 6.15 News, 6.30 News, 6.45 News, 6.50 News, 7.00 News, 7.15 News, 7.30 News, 7.45 News, 8.00 News, 8.15 News, 8.30 News, 8.45 News, 9.00 News, 9.15 News, 9.30 News, 9.45 News, 10.00 News, 10.15 News, 10.30 News, 10.45 News, 11.00 News, 11.15 News, 11.30 News, 11.45 News, 12.00 News, 12.15 News, 12.30 News, 12.45 News, 1.00 News, 1.15 News, 1.30 News, 1.45 News, 1.50 News, 2.00 News, 2.15 News, 2.30 News, 2.45 News, 3.00 News, 3.15 News, 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AMERICAN NEWS

Atlantic oil and gas lease sale delayed once again

BY STEWART FLEMING

NEW YORK, August 17.

A LAST minute appeal to a Supreme Court Justice this morning delayed the start of the first ever sale of oil and gas leases off the Atlantic coastline of the U.S.

The sale, which was expected to bring in bids of between \$400m. and \$600m. and had attracted the interest of most of the world's major oil companies, was due to start at 10.00 a.m. at the Statler Hilton hotel in midtown Manhattan.

But as the scheduled opening passed, an official of the U.S. Government's Federal Bureau of Land Management said that New York State, a number of local authorities on Long Island and environmental groups who have been trying to get the sale halted, had appealed to U.S. Supreme Court Justice Thurgood Marshall to hear the arguments.

On Friday the groups contested the sale of the leases by the Government had been granted an injunction by a federal judge in Brooklyn postponing it. But yesterday a Federal Appeal Court stayed the injunction following an appeal by the Interior Department to allow the sale to proceed.

With the Supreme Court not in session, the opponents of the sale have been able to go directly to the Supreme Court. Justice responsible for this region, Justice Thurgood Marshall, and ask him to hear the arguments. This is what is currently happening although the Justice has no obligation to take any action. He does, however, have the power to reinstate the injunction should he be persuaded by the arguments.

U.S. nuclear sale to Iran held up

BY DAVID BUCHAN

WASHINGTON, August 17.

STATE DEPARTMENT officials today cautioned against expectations of any quick agreement on the proposed sale of U.S. nuclear reactors to Iran, even though the Shah has now agreed to the setting up of a regional nuclear reprocessing plant.

The reprocessing issue had been the main hurdle to the sale of the reactors. Dr. Khomeini, the Shah's chief cleric, had demanded that the Shah concede the principle of a regional reprocessing plant, which would cost about \$800m. during the Secretary of State's

recent visit to Tehran. It is in this manner in which the deadly plutonium that goes into making bombs is reprocessed which concerns the U.S. But such a plant would be the first that the U.S. has negotiated, and because of this officials here stress the need to get the details exactly right to make it a model for future projects.

By contrast, it is domestic politics that is holding back the proposed sale of U.S. conventional arms to Saudi Arabia. It

is now clear that earlier this summer the Saudis asked for as many as 5,000 Sidewinder missiles and a whole array of similarly sophisticated weaponry. Aghast at this number of missiles—which the Saudis want to mount on only 110 F-5 fighters, the Ford administration managed to talk the Saudis down to only 2,000 Sidewinders. Even this level, however, would give the Saudis a higher ratio of missiles to aircraft than prevails in the U.S. Air Force.

CONVENTION NOTEBOOK

BY DAVID BELL IN KANSAS CITY

Even Tarzan is up to date in Kansas City

WHATEVER happens here at the Republicans' Party convention to-night when the critical balloting begins, there is one man who has no reason to fear the outcome: John Sears, Mr. Reagan's campaign manager, one of America's most accomplished political organisers, scrupulously honest, and possessing the much-prized distinction of having been fired from the White House by former Attorney General John Mitchell for being too open with the Press.

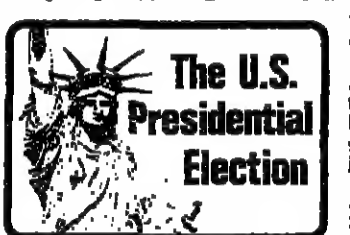
John Sears kept alive the Reagan challenge to President Ford during the early primaries when almost everyone else wrote off the former California Governor, and during recent weeks he has become celebrated for his ability to find more rabbits in the Reagan hat—the nomination of Senator Schweiker—as the search continued for the last elusive delegate votes.

He has consistently outsmarted the much larger Ford campaign staff, in spite of the President's advantage of having a ready-made White House organisation. Mr. Reagan loses the nomination, Mr. Ford is likely to try extremely hard to enlist John Sears' help for the coming presidential campaign. And he might well succeed, for John Sears is endlessly intrigued by the detail of politics and is dedicated more to the political process than to any overriding ideology. If Mr. Reagan should win, however, Mr. Sears is unlikely to employ many of the Ford people.

There have been some signs that he thinks that the Reagan campaign must run out of steam, but he has refused to acknowledge this, publicly or privately. His openness has won him the respect of most of the reporters covering the convention and many of them are sure that almost all his predictions this year have come true. It is

this which, more than anything else, makes the Press unwilling to predict what will happen to-night.

ELEPHANTS are everywhere in Kansas City. The convention hall is festooned with them—in red, white and blue—and there is a



presidential sized one outside Mr. Ford's headquarters. But the city planned to dwarf them all by floating over the convention hall the world's largest inflatable elephant, in honour of the Republicans whose symbol is, guess what?, the elephant.

Unfortunately the giant black creature has resolutely refused to inflate in spite of hours of work by volunteers, pushing aside jokes about all that spare hot air from inside the convention, this elephantine elephant's designers were still nourishing hopes that they would finally get it aloft even after an unidentified candidate took a two-foot hole in its trunk. No sooner was it repaired than a gust of wind blew it into a wire rope, which ripped it again and this time beyond repair.

This 84-foot, 82,000 elephant, was then unconcernedly removed, leaving behind only more jokes, that the party's

symbol, like the party, had been torn apart even before it could get off the ground.

In such a closely fought convention as this one, simply keeping in touch with the delegates—spread across a 316 square mile area in dozens of hotels—raises formidable problems. Both candidates have elaborate systems designed to keep them abreast of shifts within delegations outside the convention hall, but inside the need to be in constant touch is even more pressing.

Each delegation has two telephones on the floor of the hall—red for Reagan, white for Ford. These are connected to two oversized caravans, each with a large switchboard. Last night, when the full convention battle was joined in earnest for the first time, each of these was manned by senior campaign staff trying to keep tabs on their supporters.

Out on the convention floor a ten-strong Ford team of delegate hunters roamed the aisles, wearing red baseball hats and barking above the din into their walkie-talkies a series of code names, a system that starts from the top: the President's code name is "Tarzan," Mrs. Ford's "Jane" and White House Chief of Staff Richard Cheney's "Chimpanzee."

The Reagan people were content with beepers that emit high-pitched squeaks when contacted. Both groups were sometimes in danger of being overwhelmed by the phalanx of reporters' media men, including one local reporter carrying his

"Total Action News Minicam." Watergate has cast a shadow over this. Ever mindful of the possibility of electronic bugs, technicians swept each caravan daily with the latest equipment to make sure that the other side is not listening in. And, because the Ford telephone lines have had to be routed underneath the Reagan caravan, Mr. Ford's staff has had them encased in steel.

The name Nixon has so far not even been mentioned inside the convention. It is as if the six years of his presidency had never happened. Outside, however, a small band of demonstrators, a faded reminder of the thousands at the 1972 convention in Miami, heaved their powerful loudspeakers at delegates entering the convention, chanting "Bring Back Nixon" and holding a mock trial of the disgraced former President. Near them were a small group of Gay Liberation supporters, whose views are generally well received by the delegates.

A miniature confrontation with the police—who have had special riot control training—was avoided when the demonstrators decided to move away from the main entrance rather than be arrested. A group called Watch, set up by the National Council of Christians and Jews, has stationed observers wherever there might be trouble and they were active in cooling passions. No one expects problems from the unusually large number of Christian groups distributing leaflets outside the convention, but even they have their link with Watergate. Displayed prominently on many stalls is a book called *Born Again* by Charles Colson, who has, he says, become a convinced Christian as a result of his involvement in the Watergate cover-up. It was the Watergate cover-up, he says, that served time in prison.

customers. Now it has a hundred times as many.

Last year, "mixed" cable companies—joint ventures between local authorities and private companies—brought three channels, B.Fr.800m. (11m.), and B.Fr.800m. (11m.), into the range, while some cable companies are already promising their clients BBC and ITV, whose programmes can be captured on the coast via an ordinary aerial.

The cable companies simply capture the signal and strengthen it. They pay nothing for the privilege (for foreign systems it is simply a form of free propaganda) although in some cases a small contribution to the cost of purchasing the right is made. Coditel says it pays 3.3 per cent. contribution to the French and Luxembourg channels towards artists' rights, etc.

In international law the cable companies seem well clear of obvious infringement. The international rule on broadcasting is that it is permitted to improve a signal that can be received in any case, while the 1948 Brussels Convention on authors' rights and the like is generally accepted to have little relevance to the new technology of the cable transmission (is a cable transmission part of the original broadcast, as the companies claim, or a new broadcast, for example?).

Cable companies have mushroomed in Belgium. The pioneer was Coditel, set up in 1960 to improve reception in a valley near Namur with a view as much as anything else, to hosting the electricity demand from the parent Electrobel during evenings. By 1963 it had some 1,000

commercial radio or TV in Belgium. This, he added, would kill two birds with one stone: end the state corporation's monopoly and provide revenue for the ailing newspaper industry.

The Belgian radio and television corporation suffers from state control. Its governing Board reflects every shade of political and trades union opinion, carefully weighted, while the same political balance runs through its staffing. One result of this has been that certain sections of the service reflect a political viewpoint which may be contradicted elsewhere.

Premier Leo Tindemans does not love the organisation. He had a sharp brush with it earlier in the year when he complained that early morning radio news-casts were heavily left-wing in tone: when the schedules were reorganised it provoked a series of wildcat strikes which resulted in whole days of light classical music of the Swan Lake variety, punctuated by sparse and infrequent news bulletins.

The broadcasters in question are protesting that they were only providing working-class news for the early-morning working-class audience.

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WORLD TRADE NEWS

Bolivia borrows \$75m. in largest commercial loan

BY HUGH O'SHAUGHNESSY

BOLIVIA is to borrow \$75m. on the Eurodollar market, the largest foreign commercial loan it has raised in its history. The agreement is to be signed tomorrow by Sr. Carlos Calvo, the Finance Minister, and a consortium of international banks led by Citicorp.

It is for a five year term at 2 per cent over the London Interbank Offered Rate. The funds are to be applied for projects in the mining, hydrocarbons and agricultural fields.

Speaking in London yesterday, Sr. Calvo forecast that Bolivian borrowing would next year be at about the same level as this year, namely, about \$175m. in the foreign commercial banking market.

He hoped that in future the amount would increasingly be on project finance. So far Bolivia had had few projects of big scale to interest the foreign banks, but such plans as the building of a gas pipeline to Brazil and the establishment of a steel industry using the iron ore from the Mutun deposits would increase the sums of foreign finance needed, he said.

Sr. Calvo said that Bolivia was also hoping to re-enter the bond market as a way to bridge the gap between the five-year money it was now being offered and the need for ten-year money for its more long-term projects.

The Bolivian minister said that the country's inflation rate this year would not exceed 10 per cent, and that a possible small trade deficit would be more than covered by inflows of capital

New Audi challenge to Rover

By Stuart Marshall

THE new Audi 100 car, which will be a leading competitor to British Leyland's new Rover model, is announced today. It goes on sale in Germany at the beginning of next month and will reach Britain in November.



The Audi, to be made at the rate of about 250,000 units a year against the Rover's 150,000 units—will have two models with four cylinders, rated at 1.6 litres and 2 litres, and a unique five cylinder 2.2 litre model.

Initially, only 2-litre 100L and 100GLS versions will be sold in the U.K. Prices are likely to be about \$4,100 and \$4,700 respectively. The five-cylinder car will not arrive in Britain before next summer and will probably cost more than \$6,000.

Swiss record further surplus on foreign trade balance

BY JOHN WICKS

ZURICH, August 17.

SWITZERLAND recorded a further surplus on foreign trade for July, due to a continued growth rate for export value—than for imports.

Exports were up by 7.5 per cent, on the corresponding 1977 figure to Sw.Frs.3,062.6m., while imports increased by 5.3 per cent to Sw.Frs.2,000.1m., giving a surplus of Sw.Frs.1,062.5m. for the first seven months of 1978.

The Swiss foreign-trade balance shows a cumulative surplus of Sw.Frs.3,322m., as compared with a trade gap of Sw.Frs.1,423.6m. for the same period of last year.

This is the sixth consecutive month that exports have equalled or surpassed imports in the Swiss trade balance. The Swiss economy has not yet reached the level of recovery anticipated by the Government when it is reversed, even though import values are now increasing again after the sharp declines of the 1976 recession.

Should the swell in new import orders not occur soon, Switzerland could be faced with its first foreign-trade surplus since 1981. Only three times since 1981 has Switzerland booked a surplus of this kind.

Last year the trade gap narrowed very rapidly from the 1977 record of Sw.Frs.7,872m. to a figure of only Sw.Frs.540m. due to the first overall decline in foreign-trade activity since 1958.

Exports of goods and services rose by 19 per cent in the first half of 1978. The buoyancy of overseas demand, however, was not matched by domestic performance. Domestic orders fell back by 1.3 per cent, compared with the first half of 1977, which brought back to all increase in bookings for the year. In price-linked terms, 1.8 per cent.

But while figures from the Central Association of the Electrical Technical Industry

TELEFONAKTIEBOLAGET LM ERICSSON

RIGHTS ISSUE AND BONUS ISSUE OF 1976

ADOPTION OF THE SWEDISH VPC SYSTEM OF SHAREHANDLING

The Annual General Meeting of Telefonaktiebolaget LM Ericsson ("the Company") held on 4th June, 1976, resolved to increase the Company's capital stock, presently amounting to Skr 769,005,830, divided into 2,485,677 Series A shares and 12,894,440 Series B shares, all fully paid and with a par value of Skr 50 each, as follows:

—by Skr 128,167,000 to Skr 897,173,450 by means of a rights issue of 2,563,352 Series B shares;

—by an additional Skr 192,251,450 to Skr 1,089,424,900 through a bonus issue of 3,845,029 Series B shares, for which purpose the book value of the Company's fixed assets will be written up by Skr 187,095,883 and a transfer of Skr 5,155,567 will be made from unappropriated earnings.

The Annual General Meeting further resolved that the Swedish Law on Simplified Sharehandling of 20th November, 1970 be adopted by the Company with effect from 17th August, 1976.

TERMS OF THE RIGHTS ISSUE AND THE BONUS ISSUE

Rights Issue

Issue price: The new shares will be issued at a price of Skr 75 per share.

Subscription period: Subscription is to be made in the period from 17th August to 29th October, 1976, both dates inclusive.

Pre-emptive right to subscribe: The Company's shareholders have the pre-emptive right to subscribe for one new Series B share for every six Series A and/or Series B shares held.

Allocation of shares subscribed without pre-emptive right will be made at the discretion of the Board of Directors.

Payment for subscribed shares shall be made in one amount not later than 1st December, 1976. In the event of payment after 31st August, 1976, interest is to be paid at the rate of 8 per cent, per annum, from the latter date up to and including the date of payment.

Bonus Issue

Entitlement: The Company's shareholders are entitled to receive one new Series B share free of payment for every four Series A and/or Series B shares held.

Provisions Common to Both Issues

Dividend right: The new shares will carry the right to any dividend payable in respect of the financial year ending 31st December, 1976, and subsequent years.

Stamp duty: Swedish stamp duty on the new shares will be paid by the Company.

THE SWEDISH VPC SYSTEM OF SHAREHANDLING

On 1st January, 1971 the Swedish Law on Simplified Sharehandling of 20th November, 1970 came into force. Under the terms of the new legislation a special institution, Värdepapperscentralen VPC Aktiebolag (Securities Register Centre) ("VPC") has been formed, owned 50 per cent by the Swedish government and 50 per cent by Swedish banks, and other brokers.

In principle, only the name of the beneficial owner can be entered in the shareholders' register maintained by VPC on behalf of the Company. It is, however, possible to register as nominee non-Swedish banks or other non-Swedish custodians holding shares for shareholders domiciled outside Sweden, subject to the receipt by the Swedish company of official permission.

Shareholders who do not surrender their existing bearer or registered certificates for exchange in accordance with the following procedure may not—insofar as dividends or capital increases authorised after 17th August, 1976 are concerned—collect dividends or receive subscription right certificates, fractional scrip certificates or bonus shares, in connection with further capital increases, until such exchange, and the subsequent recording in the shareholders' register kept by VPC on behalf of the Company, has taken place.

GENERAL PROCEDURE TO BE ADOPTED BY SHAREHOLDERS

A Circular has been despatched from Stockholm to all persons known by the Company to be or to have been shareholders. Copies of the Circular and covering letter for U.K. shareholders may also be obtained upon request from S. G. Warburg & Co. Ltd., together with Application Forms, on and from 18th August, 1976.

Shareholders of the Company are requested to surrender their existing bearer or registered share certificates with talon and coupon number 50 attached, together with a duly completed Application Form, during the period to 29th October, 1976, to one of the banks mentioned in the Circular.

Upon surrender, registered share certificates must either be registered in the name of or endorsed to the shareholder or otherwise endorsed in blank; bearer certificates do not require endorsement. The Application Form should be properly signed by the shareholder for, where appropriate, by a legal guardian.

Against delivery of existing bearer or registered share certificates together with a duly completed Application Form, shareholders will receive the following documents after processing by VPC and the Swedish handling banks:

- A VPC Certificate in respect of the previous holding as well as the bonus shares;
- Fractional Scrip Certificate(s) if the number of shares surrendered should not be evenly divisible by four;
- A Subscription Certificate in respect of the number of shares subscribed; and
- Subscription Right Certificate(s) representing the number of shares surrendered for which the related subscription right is not exercised at the same time.

Upon expiry of the subscription period on 29th October, 1976 Subscription Right Certificate(s) and the bearer or registered share certificates that have not been surrendered will no longer entitle the holder to exercise the pre-emptive right to subscribe.

It is expected that the processing of the documents by VPC and the Swedish handling banks will take approximately two weeks for Swedish shareholders; foreign shareholders should therefore make due allowance for mailing time to and from Stockholm.

SWEDISH EXCHANGE CONTROL REGULATIONS

Currency regulations in force in Sweden, while allowing non-residents to take up shares subscribed on the basis of present holdings, including shares subscribed on the basis of subscription rights purchased or otherwise acquired in order to raise the number of subscription rights held to a number divisible by six, do not permit non-residents to subscribe additional shares on the basis of further purchases or acquisitions of subscription rights, unless rights so purchased or acquired have been issued to a non-resident person on the basis of shares already held outside Sweden or held by a Swedish bank for the account of a non-resident person. Non-resident shareholders are allowed to sell subscription rights and fractional scrip in Sweden and to freely transfer the proceeds.

In addition to the listing of the Company's Series A and Series B shares on the Stockholm Stock Exchange, the Series B shares are also listed on the stock exchanges in Amsterdam, Düsseldorf, Frankfurt (Main), Geneva, Hamburg, London, Oslo and Paris.

(a) RIGHTS ISSUE

U.K. shareholders wishing to exercise their subscription rights should lodge their bearer or registered share certificates with talon and coupon number 50 attached, together with their Application Form duly completed and a bankers' draft for the full amount payable, at S. G. Warburg & Co. Ltd., not later than 27th October, 1976. Upon receipt of these documents, S. G. Warburg & Co. Ltd. will issue a temporary receipt. In the event that a shareholder does not wish to exercise the subscription right in respect of the whole or part of the shareholding, Subscription Right Certificate(s) will be issued by S. G. Warburg & Co. Ltd. on behalf of the Company in respect of the number of shares surrendered for which the subscription right has not been exercised.

Shareholders' attention is drawn to the fact that the Company will charge interest at the rate of 8 per cent, per annum in the event of payment for shares subscribed after 31st August, 1976 with effect from the latter date up to and including the date of payment.

(i) Sale of Rights

U.K. shareholders wishing to sell their rights represented by Subscription Right Certificate(s) must instruct S. G. Warburg & Co. Ltd. by letter by not later than 3 p.m. on 27th October, 1976 to arrange the sale of such right.

The proceeds of the sale of rights after deducting all relevant expense(s) will be paid to shareholders through their agent.

(ii) U.K. Exchange Control Regulations

The shares of the Company constitute foreign currency securities for U.K. exchange control purposes. Accordingly, persons resident in the U.K. for exchange control purposes will, unless utilising the proceeds of a foreign currency loan authorised by the Bank of England, be required to purchase Swedish Kronor through the investment currency premium market on taking up their rights. Authorised Depositaries wishing to make payment in £ sterling must agree the rate of exchange with S. G. Warburg & Co. Ltd. (Coupon Department, extension 567).

The proceeds of the sale of rights by U.K. residents for exchange control purposes may be eligible to be treated as investment currency, subject to the 25 per cent, surrender requirement, where applicable.

The new shares will constitute foreign currency securities, which if owned by persons resident in the U.K. for exchange control purposes, must be held by or to the order of an Authorised Depositary.

(b) BONUS ISSUE

Against surrender of their bearer or registered share certificates with talon and coupon number 50 attached, together with Application Forms duly completed, U.K. shareholders will receive one new share for every four shares held. The abovementioned temporary receipt will also cover the allocation of shares arising under the bonus issue.

S. G. Warburg & Co. Ltd. will issue Fractional Scrip Certificates on behalf of the Company if the number of shares surrendered should not be evenly divisible by four. S. G. Warburg & Co. Ltd. are prepared to arrange the purchase of fractional scrip for rounding-up purposes, as well as the sale thereof.

U.K. exchange control permission has not been applied for in respect of either the rights or bonus issues. Accordingly, all documents should be lodged by shareholders with

S. G. Warburg & Co. Ltd.,
Coupon Department,
St. Albans House, Goldsmith Street,
London EC2P 2DL

LISTING AND DEALINGS

It is intended that application will be made in due course to The Stock Exchange for the new shares arising from the rights and bonus issues to be admitted to the Official List.

Authorised Depositaries will be advised when VPC Certificates and Subscription Certificates are available to be exchanged for temporary receipts and when the proceeds arising from the sale of rights will be paid.

TELEFONAKTIEBOLAGET LM ERICSSON

Board of Directors.

Stockholm.
18th August, 1976.

Television imports Restraint by Japan likely

BY CHARLES SMITH

TOKYO, August 17.

JAPAN'S exports of black and white TV sets to Britain in 1976 will probably not exceed the level of 1975, according to one of the leading companies in the industry.

The company concerned, Sharp Corporation, is one of at least half a dozen which have been asked by the Ministry of International Trade and Industry to submit forecasts for their exports to Britain, following representations by Britain about fast-growing black and white TV exports.

Another major company Hitachi, has told MITI that it expects its U.K. shipments during the latter part of this year to be about 15 per cent up on a year earlier. Hitachi, however, supplies the U.K. market almost entirely from a subsidiary in Singapore and is exporting only minimal quantities of monochrome sets from Japan itself.

Hitachi TV exporters say they have not received any reaction from MITI to their figures but the Ministry has promised Britain an early reply on the U.K. Government's request for assurances about the future of monochrome exports.

But a grey area in the debate over Japanese TV exports is the extent to which MITI can influence the behaviour of companies which are serving the U.K. market from offshore production bases rather than from Japan itself. This question arises in the case of Hitachi's Singapore operation and in the case of companies with production facilities in Taiwan.

The U.K. is believed to have applied pressure on the Singapore Government as well as on Japan for the moderation of black and white TV exports, although there is no confirmation of this in Tokyo. With Taiwan, however, it may have more of a problem since the two countries have no diplomatic relations.

Japan's monochrome exports to Britain (mainly of portable models) started rising fast in the spring of last year after having fallen off sharply since the beginning of 1974.

Exports totalled 219,552 sets for the year, compared with 123,441 sets for 1974 and Japan's share of the portable black and white market in Britain during the four quarters of the year varied between 17 and 38 per cent.

Japanese TV manufacturers are well aware of the charges being levelled at them by their British competitors that their U.K. prices have stayed "unnaturally" low, given the recent

ANGLO-AMERICAN SECURITIES CORPORATION LIMITED

Financial Statement for the six months ended 15th July, 1976.

	(Unaudited) Six mths. ended 15th July 1976	Six mths. ended 15th July 1975
61 Gross revenue	1,555,080	1,476,714
61 Less: Expenses and Interest	306,279	284,982
35 Net revenue before taxation	1,248,771	1,191,732
31 Less: Taxation	458,839	473,108
04	790,142	718,644
23 Less: Preference Stock Dividend	40,611	40,611
81	749,531	678,033
35 Less: Interim Dividend	539,683	539,683
36 NET REVENUE RETAINED	£179,848	£138,350
Dividend on Ordinary Shares payable 23rd August, 1976...	1p per Share	104p c.d.
*Net Asset Value per Ordinary Share at end of period	125p c.d.	104p c.d.
Net Asset Value per Ordinary Share assuming full conversion of Convertible Loan Stock	123p c.d.	103p c.d.

et Asset Value includes the full amount of the investment premium which at 15th July, 1976 was 25p per Ordinary Share (15th July, 1975—25p, 15th January, 1976—31p per share).

provision has been made for any liability to tax on gains which may arise in the future on realisation of securities.

COMPAGNIE FINANCIERE DE SUEZ
Société Anonyme registered in France with a capital of Frs. 841,915,800

Registered Office: 1, rue d'Astorg, 75008 PARIS
Financial year from January 1 to December 31.

INTERIM STATEMENT OF INCOME—1976
(compared with 1975)

	1975	1976
Income quarter	2,590,955.05	1,622,388.10
quarter	93,635,219.98	113,941,928.02
66,224,175.04	115,564,316.12	
3,152,444.73	4,767,929.73	
18,642,012.99	45,424,235.01	
21,794,457.72	50,192,164.74	
118,018,632.76	165,756,480.86	

could be noted that, in the case of portfolio investment, comparisons are of no significance unless they are over a long period.

LONDON, 16th August, 1976.

Export guide published

National Westminster Bank has produced a guide for U.K. exporters, designed to help customers with export problems and describing the services the bank can offer in this field.

The booklet covers a wide spectrum including the finding to the extent that exporters do not of markets abroad, covering the cost of imports, methods, documents of international trade, securing payment and export finance. Publication coincides with the Government-sponsored export year which began in June.

"This country has a greater need than most to export in order to pay for imports essential to our industries and to our people," the booklet says. Furthermore, "to the extent that exporters do not of markets abroad, cover the cost of imports, must, as a country, deplete our capital or borrow abroad, and neither of these is a course which can be continued indefinitely."

OVERSEAS NEWS

Hundreds killed in Philippines earthquake

By Our Own Correspondent

MANILA, August 17. WELL OVER a thousand people were feared killed and a much bigger number rendered homeless in a powerful earthquake that rocked the southern Philippine islands and triggered huge tidal waves early this morning.

Official Government figures put the number of dead at 920 but this did not include close to 400 others who were feared drowned in the two-fathom-high tidal waves that smashed coastal areas of Mindanao, and smaller islands further south.

President Ferdinand Marcos has proclaimed Mindanao, and the other southern islands of Basilan, Sulu and Tawi-Tawi in a state of calamity. The region, home of the country's close to 4m. Moslems and scene of a four-year-old Moslem separatist revolt, lies about 550 miles south-east of Manila.

The intensity seven earthquake, which lasted 20 seconds, centred somewhere in the Celebes Sea and struck shortly after midnight causing widespread damage and casualties in at least seven provinces.

More than 200 people were reported missing, including 75 Government soldiers stationed in two towns where 247 drowned. Another 75 were reported trapped in the debris of two collapsed hotels in the thickly populated provincial capital city of Cotabato in central Mindanao, where, aside from the collapse of several other buildings, at least three fires were also reported.

Worst hit by the tidal waves was the town of Dinig in Cotabato province where the Red Cross feared more than 300 villagers drowned. Early reports received by the National Disaster Council had been that 1,300 families had been rendered homeless and several hundred people injured. The reports indicated most of the deaths were caused by the tidal waves and that most of them were children.

UPI reports from Hong Kong, a powerful earthquake struck southwest China today while a massive relief force still searched for bodies on the rubble of another earthquake which hit near Peking three weeks ago, causing widespread death and destruction. There were conflicting reports by seismological stations outside China on the location of the new earthquake epicentre, but it apparently was somewhere in China's most populous province, Szechuan.

Japan records big surplus in July payments figures

BY CHARLES SMITH

TOKYO, August 17.

JAPAN registered a balance of payments surplus of \$770m. in July according to preliminary figures published today by the Ministry of Finance.

It was the largest overall surplus since February, 1973, the month before the yen was allowed to float upwards from its Smithsonian parity. And the sixth consecutive surplus since last February.

A big visible trade surplus of \$11m. was the main positive factor in the overall balance, but there was a relatively large deficit on invisible and transfer payments of \$620m.

The final and mildly surprising element in the July payments picture was a surplus on long term capital movements of \$130m. Japan has tended to be net exporter of capital during most of the past three or four years but a number of factors combined to put it into long term capital surplus in July.

These were the relatively low figures for overseas lending and investment by Japanese companies, a substantial net inflow of foreign portfolio investment into Japanese bonds and equities, and a high rate of borrowing by Japanese companies on overseas capital markets.

Foreigners made net purchases of Japanese equities to the tune of \$80m. in July (in other words their equity purchases exceeded their sales by that amount); in the case of the bond market they bought \$60m. more than they sold.

These figures are the highest since May 1975 when the stock market reached its peak for the year. The inflow of foreign funds into Japanese securities reflects increasing foreign confidence in the recovery prospects of the Japanese economy as well as the belief that the yen will strengthen during the next few months.

Overseas borrowing by Japanese companies in July reached the high figure of \$218m. as a result of a spate of bond issues in overseas capital markets. Japanese industry is relatively liquid at present and appears to be in no hurry to resume active investment in plant or equipment inside Japan itself.

But interest rate differentials between Japan and overseas money markets have made foreign borrowing attractive for Japanese companies. Japanese companies have also been borrowing foreign currencies as a hedge against the depreciation, in terms of Yen, of dollar-denominated export credits.

extended by industries such as shipbuilding and heavy machinery. The \$11m. visible trade surplus recorded for July represents the difference between export earnings of \$3,790m. (up 23 per cent. from a year earlier) and imports worth \$3,779m. (up 13 per cent.).

Seasonally adjusted figures show a modest decline in exports from a month earlier (by 3.4 per cent.) whereas seasonally adjusted imports were up slightly, by 4.5 per cent.

This could be taken to indicate that Japan's export boom has passed its peak and that the visible trade surplus will shrink during the latter part of 1976. Meanwhile, however, Japan continues to do embarrassingly well in its trade with developed countries, particularly the U.S. and Europe.

Exports to the U.S. in July were worth 60 per cent. more than in July, 1975, while imports from the U.S. continued to run slightly below the exports of the previous year. Exports to the U.S. were up 40 per cent. year ago, while imports rose 6.3 per cent.

The picture is reversed in the case of trade relations with the rising Japanese economies, the U.S. and Japan's imports exceeds the growth of its exports.

Call to arms by Lebanon Left

BY HSAN HIJAZI

BEIRUT, August 17.

AS FIERCE fighting continued today in the mountains east of here, the leader of the Lebanese-Moslem alliance, Mr. Kamal Jumblatt, has announced that Left-wing and Palestinian forces will not withdraw from there and called on all villagers to turn their villages into "impregnable fortresses and to fight to the death to preserve their territory and positions."

Reuters, meanwhile, reported that the Soviet Union had told Left-wing Lebanese and Palestinian leaders that it was exerting pressure on Syria to withdraw its forces from Lebanon. Informed sources said that Soviet ambassador had told Alexander Solzhenitsyn, the Soviet Union's chief spokesman, that it was exerting pressure on Syria to withdraw its forces from Lebanon. Informed sources said that Soviet ambassador had told Alexander Solzhenitsyn, the Soviet Union's chief spokesman, that it was exerting pressure on Syria to withdraw its forces from Lebanon.

President Suleiman Franjieh's proposal yesterday for a political pact after agreements between the Lebanese authorities and the guerrillas had been enforced, was rejected today by the Left, whose Press interpreted the proposal as yet another attempt to escalate tensions. A guerrilla leader, Mr. Yassir

Abed Rabbouh, has declared that the combined Palestinian and Left-wing forces "will not give up one inch of their positions" in the hills of Mount Sanin, Aintourah and Al Metouh, about 30 miles east of here.

The situation in the mountain resort of Hammama remains unclear. Right-wing radio stations repeated today that the resort has been occupied by Syrian forces who have cut off the supply line for the Palestinians and the Left into the eastern mountains. Beirut radio reported that heavy artillery duels were still continuing in the eastern mountains, and Beirut radio reported that heavy artillery duels were still continuing in the eastern mountains.

Pierre Gemayel, the leader of the Right-wing Phalangist Party, today repeated his call on the Lebanese Moslems to shake off what he described as the "domination by the Palestinians." Only they would they be free to enter a dialogue with the Christians on the future of Lebanon. He had earlier called for restructuring the Lebanese Government on basis of decentralisation.

Afrikaner church divides on race policy

By John Stewart

CAPE TOWN, August 17. PRESSURE ON the South African Government to modify its racial policies, and township repression and halt detention without trial came from an unexpected source today—the Mission Church (Sendingkerk) of the Dutch Reformed Church which, next to the National Party, is the most powerful and influential influence in Afrikaner nationalism.

In a public statement, which is certain to threaten the unity of the Church and lead to sharp divisions between Afrikaner intellectuals, clerics and politicians, the Sendingkerk (mission Church) condemned police activity on the campus of the University of the Western Cape (a Coloured institution) and the detention of three members of the church under the Internal Security Act.

Not since the Dutch reformed Church drew attention in 1961 to the harmful effects of migratory labour—without actually criticising Government policy as being responsible for the system—has a member of the Dutch Reformed Church movement dared to challenge aspects of Afrikaner nationalist policy.

The step is even more surprising in view of the fact that the statement was issued after an urgent meeting last night between the Moderator of the Mission Church, the Rev. David Botha, and the Moderator of the Cape Dutch Reformed Church, Dr. J. D. Vorster, brother of the South African Prime Minister, Mr. John Vorster. It is understood that Mr. Botha elicited the support of Dr. Vorster in issuing the statement.

It admitted that police sometimes acted under difficult conditions but said the Church "can never associate itself with the detention of a person without a clear intention to charge him and bring him to trial within a reasonable time."

It noted that students were upset about the white branch of the Church, the Ned Gerek Kerk had been silent about the "injustice to themselves and all who are not white under the system of separate development."

The statement said that the Church "issues a serious warning to the authorities, churches and the community not to underestimate the growing extent of the polarisation between colour groups and economic classes."

THE AUSTRALIAN BUDGET

Boost to business

BY KENNETH RANDALL, CANBERRA, AUGUST 17.

THE AUSTRALIAN Government is offering a wide range of incentives to business, especially mining, in its 1976-77 budget, introduced into Parliament to-night. And, for the first time in four years, there are no increases in the major indirect taxes such as Excise on tobacco, alcohol and petrol.

The Government is continuing rigid controls over public expenditure and maintaining tight control as its top priority in economic management, despite the prospect of unemployment continuing to rise from its present level of 5.2 per cent. of the workforce for at least the next six months.

According to the Treasurer, Mr. Phillip Lynch: "This budget applies the maximum degree of restraint judged to be consistent with promoting confidence and maintaining a steady path towards economic recovery."

For individuals, the Government's major initiatives had already been announced in the mini-budget introduced on May 20—the full discounting of personal income tax in line with the inflation rate, and large increases in child allowances.

To-night, Mr. Lynch announced that the Government would make a start this financial year on adjusting company tax for inflation, would relax the distribution requirements for private companies and offer new incentives for minerals and oil activity.

Problems

The Treasurer said that in the highly inflationary situation of recent times, there had been serious problems in financing the rapidly growing costs of adequate trading stocks. To relieve them, the Government would take "a substantial step" towards a system of trading stock valuation adjustments and it would apply to taxable incomes for the current income year.

The cost of a company's trading stock at July 1 this year will be revalued for income tax purposes at the close of the year in line with the percentage increase in the "goods" component of the official consumer price index. The company's tax liability will be reduced—not deferred—accordingly.

Although it is impossible at this stage of the year to calcu-

late what the scheme might cost, Mr. Lynch said that it had been operating fully in the past financial year the cost to revenue would have been around \$A700m. (about \$483m.).

"At this point," he said, "it is clearly not possible for us to say how far by this time next year we shall be able to go. We shall go as far as we can. What we do now undertake is that 60 per cent. of the full adjustment will be allowed next year as deductions from 1976-77 incomes."

It had been widely expected that along with the stock valuation provisions, the Government would introduce similar inflation adjustment for depreciation allowances. Mr. Lynch said, however, that the Government was still examining this "and other aspects of business financing and profitability."

He indicated that legislative action might be forthcoming during the Government's next office (ending in 1978), depending on whether or not it decided to retain investment allowances at their present level.

The income tax law affecting private companies is being changed so that they may retain 11.3 per cent. to \$A24.30m. (about \$18.5m.), the budget loss an overall deficit of \$A1 (about \$1.5m.).

The Government deficit, however, is expected to be \$A1.9m. (about \$1.5m.) compared with \$A3.2m. (about \$2.5m.) over a full year.

Spending on petroleum exploration, and allowable capital spending on petroleum production will become deductible against income from any sources, instead of only from mining income as at present. The change is designed to encourage non-mining companies into petroleum activity.

For capital spending on mine development, the mine-life period for calculating depreciation is being reduced from 25 years to five years, for capital spending on transport facilities for minerals, including petroleum, there will be the choice of either a ten-year or 20-year write-off period. And the definition of transport facilities will be widened to include port development, including such things as surveys, dredging and navigation aids.

The broader definition is likely to have a significant bearing on the economics of some projected

new iron ore developments. The Government is removing immediately SA2 a ba excise, introduced in the budget, on crude oil products—but only so far as new coverings are concerned. The result will be that all crude oil will receive full import duty at the nearest refinery port.

"The Government believes this will significantly affect level of activity within the exploration industry," Mr. I. said.

The coal export duty, introduced by the Government last year, is reduced by 25 per cent. to \$A4.50 instead of \$A6 a tonne for high quality coal and \$A2.50 for lower quality coal. As a result, profit will be about \$A33m. (about \$25m.) in the current financial year.

Growth

Mr. Lynch described his budget as one for confidence reform. With total output of 11.3 per cent. to \$A24.30m. (about \$18.5m.), the budget loss an overall deficit of \$A1 (about \$1.5m.).

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ON OTHER PAGES

International Company News:
Ericsson losses in Brazil
Kennecott divestiture
Phillips growth
Farming and Raw Materials
Australian wool auctions

Top level bid to save E. Africa Communi

BY JOHN WORRALL

NAIROBI, August

A DETERMINED effort at very attempting to heal the high levels is being made to save the East African Community from dissolution. This is now revealed to have been the main purpose of Tanzanian President Julius Nyerere's flying visit to President Jomo Kenyatta at Kilimbas last Friday.

President Nyerere followed this up yesterday with a special message to President Idi Amin of Uganda urging him to play a part in continuing regional co-operation in East Africa. These moves followed the "peace" agreement between Kenya and Uganda after their relations had sunk to the lowest ebb ever, with Kenya holding up oil and other supplies to landlocked Uganda until Uganda had paid its bills to Kenya suppliers totalling \$22m. The moves are believed to herald a meeting of the East African Community higher authority, which is made up of the three Presidents.

Recently the secretary-general of the Community, Mr. Edward Mtei, said the best hope of the Community surviving was for a meeting of the higher authority. The three Presidents have not met since President Amin seized power in Uganda, and largely because of the early feud between Presidents Nyerere and Amin.

President Nyerere's message to the Ugandan leader suggests that the Tanzanian President may be

pressing the case for a meeting of the higher authority. The three Presidents have not met since President Amin seized power in Uganda, and largely because of the early feud between Presidents Nyerere and Amin.

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A major U.S. manufacturer of a wide range of cutting tools wishes to appoint a Sales Manager to develop its European markets, particularly in the U.K., Germany and France. The envisaged location is England, and the appointed person, male or female, will report direct to the Vice President-Marketing in the U.S.A.

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The salary is negotiable and will exceed £6,000 per annum. A company car is provided together with the fringe benefits expected of a progressive, international company.

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PUBLIC NOTICES

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£1,000.000 bills offered 13.9.76 for payment 18.9.76, due 17.10.76, at 5.5%.

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IRAN JAPAN TOURISM COMPANY (IJC) INTERNATIONAL TRAVEL INVITATION FOR 700 ROOM HOTEL BUILDING

Iran Japan Tourism Company (IJC), a private enterprise registered in Japan, is building a 700 room hotel in Tehran, Iran, designed by Kazuo Ingo. Architects and construction firms are invited to submit proposals. The deadline for submission of proposals is 15th September 1976. Proposals should be submitted to IJC, 42 Portland Road, London W11 4J. For information and to obtain tender documents, please contact IJC, 42 Portland Road, London W11 4J. Tel. 01-221 5578.

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LEGAL NOTICES

No. 20801 of 1976

IN THE HIGH COURT OF JUSTICE, Chancery Division, Companies Court.

In the Matter of BRISTOL & WESTERN AIRCRAFT COMPANY LIMITED and in the Matter of The Companies Act 1948.

NOTICE IS HEREBY GIVEN that a Petition for the winding up of the said Company by the High Court of Justice was presented to the said Court by the said Petitioner on the 12th day of July, 1976.

The said Petitioner is a company registered in England and Wales under No. 1234567.

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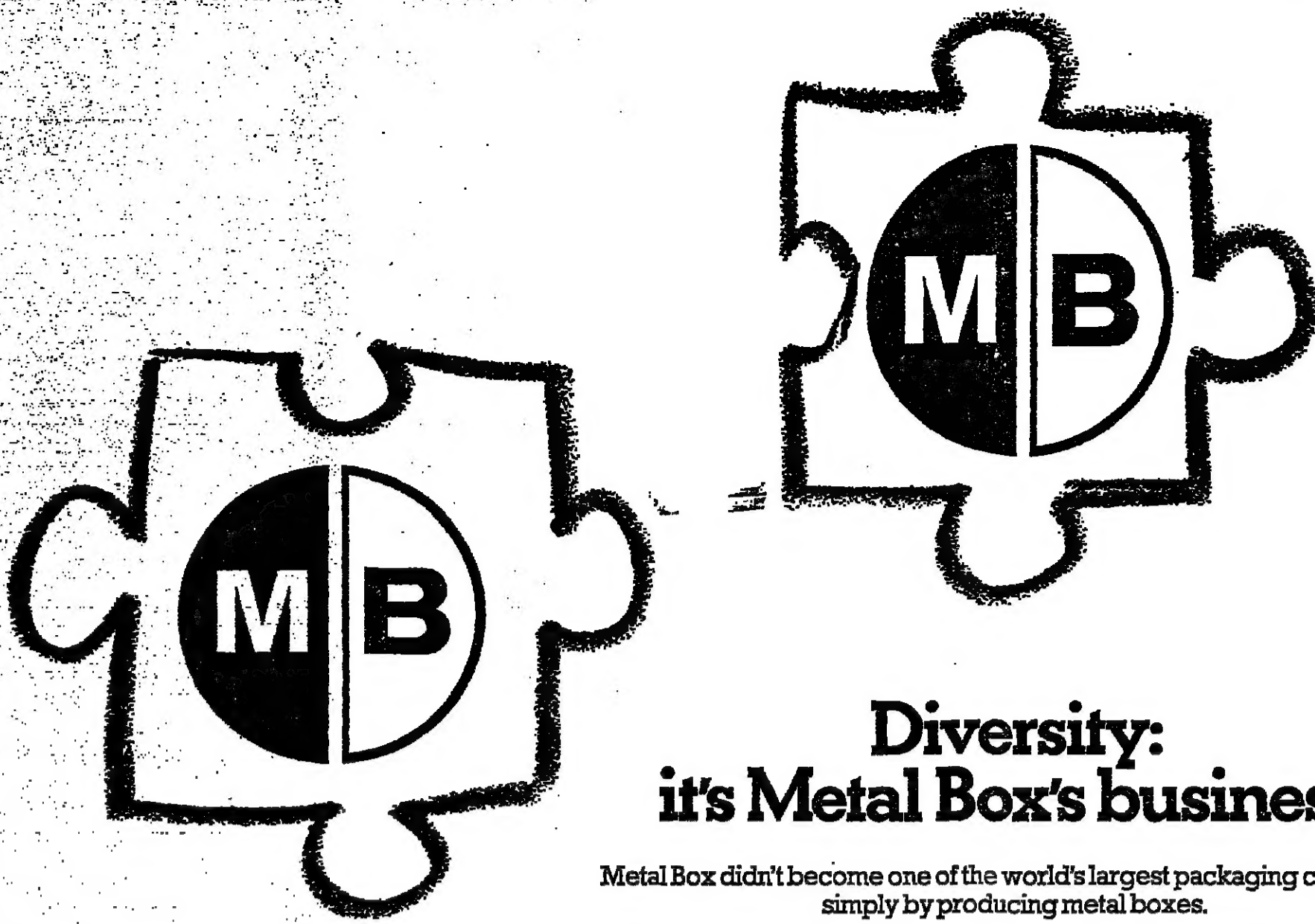
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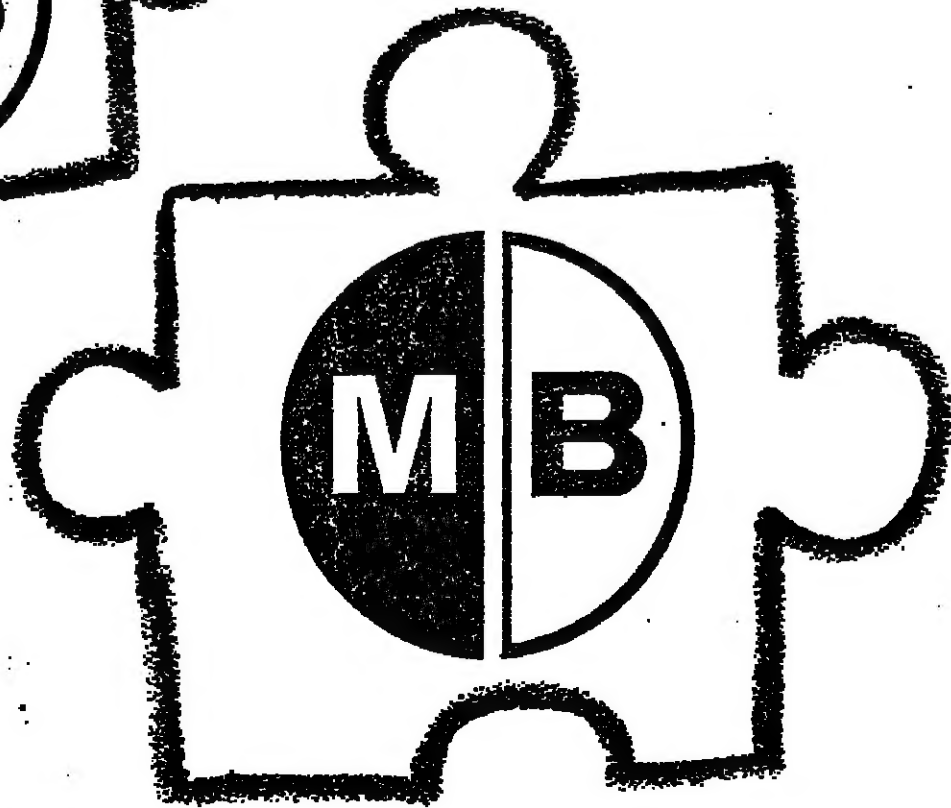
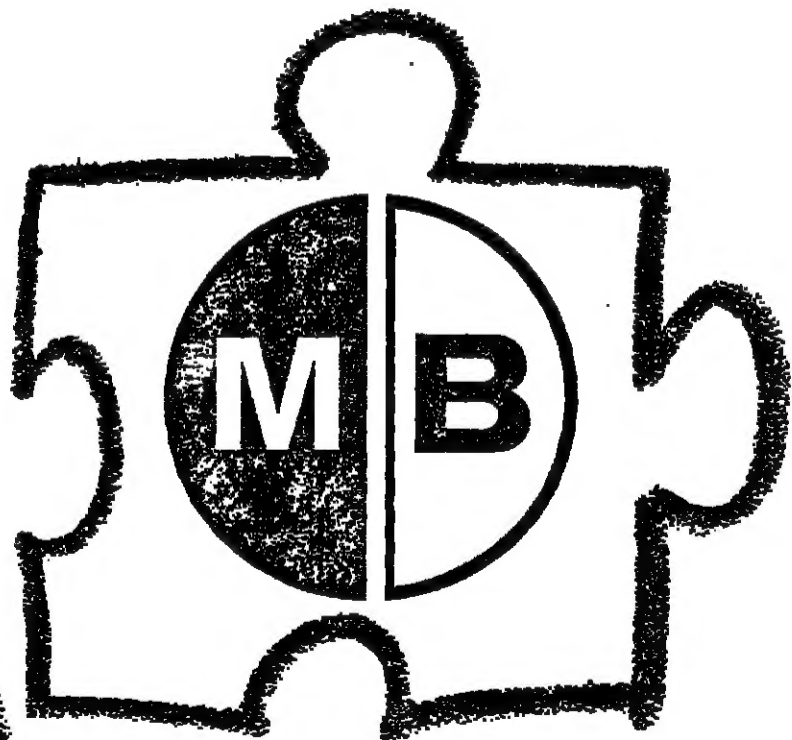
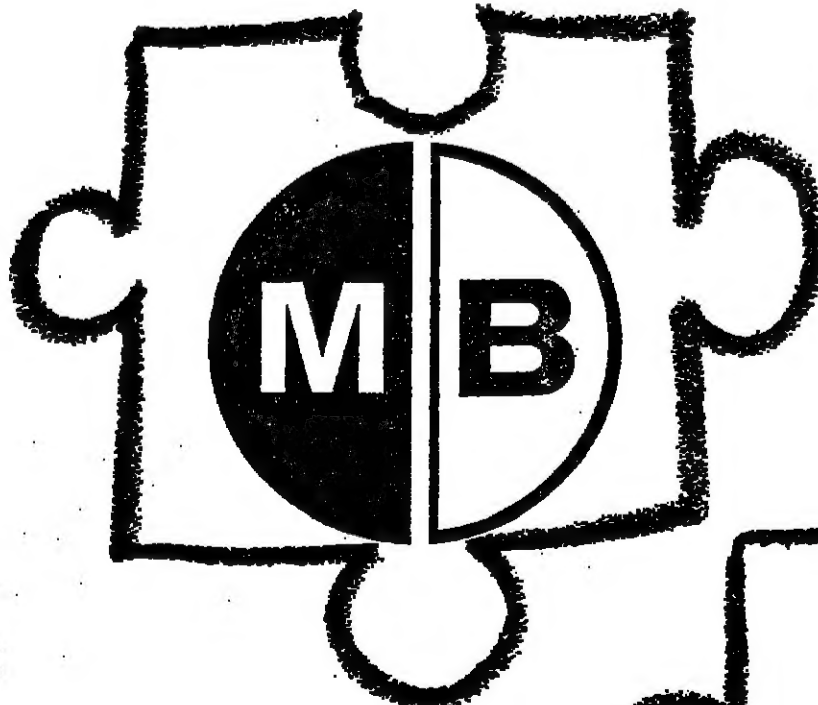
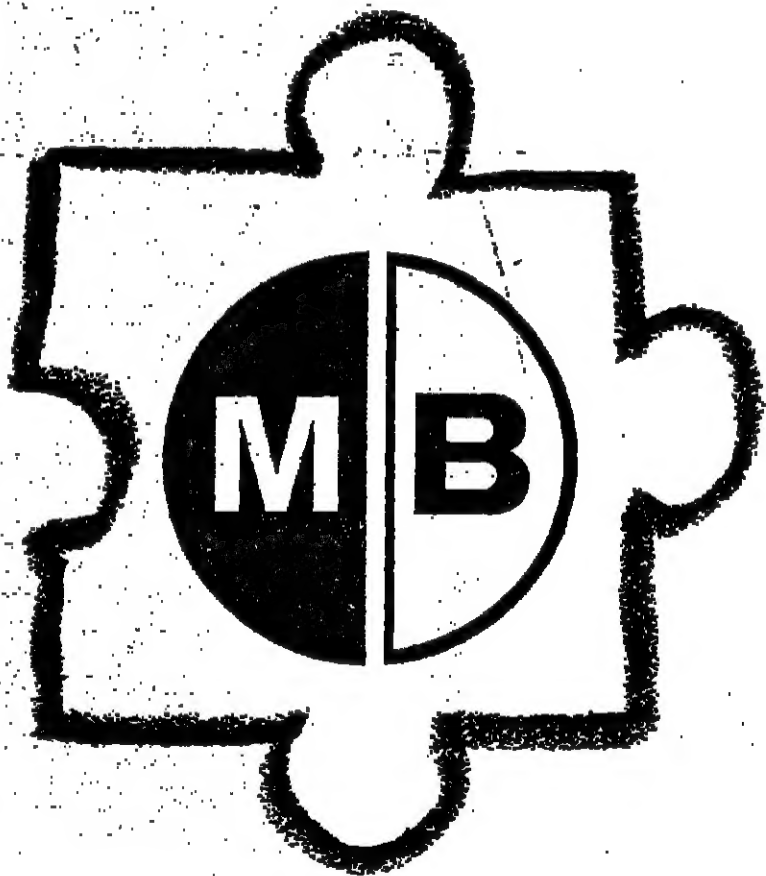
And we continue to seek new fields in which our manufacturing and marketing expertise can be put to profitable use; as with the acquisition of Stelrad, now part of the Metal Box family, and the world's largest manufacturer of radiators for central heating.

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KINTA KELLAS RUBBER ESTATES, LIMITED

MR. P. T. GUNTON'S STATEMENT

The Sixty-sixth annual general meeting will be held in London on 9th September 1976. The following are extracts from the Chairman's circulated statement:

An increase of 3.3p in the net average selling price to 29.13p per kg. for our crop produced a pre-tax profit for the year, after charging replanting expenditure, of £310,010 compared with £223,570 for 1974/75. Income from an expanded investment portfolio increased from £58,719 to £73,333. Tin tribute was lower at £87,477 compared with £97,370 in 1974/75, due mainly to Malaysian Government export quota restrictions.

After providing £176,905 for taxation in Malaysia and the U.K. there remains £133,105 for the year compared with £89,828 for 1974/75. The board recommended a final dividend of 1.09p per share making a total distribution for the year of £64,985 or 1.57p per share, the maximum permissible.

Government rubber price stabilisation measures were relaxed from October 1975 and as a result the harvested crop was better at 2,691,191 kg. compared with 2,637,687 kg. in 1974/75. Our factories at Kinta Kellas and Kelpin continued to produce good quality crumb rubber which found a ready market under the "Harub" trade name at useful premia over ordinary grades. As previously, the balance of the crop was sold in latex form at a discount on ruling prices for sheet rubber.

In the last quarter of 1975 the cloud of industrial recession lifted a little and the market improved on sustained buying of rubber by the U.S.A. By the end of December the price of RSSI had risen in Kuala Lumpur to 170 sen f.o.b. per kg. and during the first half of 1976 the upward trend has continued to well over 200 sen. Although higher prices have been based upon a re-assessment of world economic prospects and an unexpectedly long winter season and drought in Malaysia, they have responded in some measure to speculative activity and, in common with other commodities, rubber has provided a refuge for nervous holders of sterling. Against a background of widespread international discussion of price stabilisation schemes, however, there has been some reaction from best levels and it would seem that if upward movement is to be resumed it will have to rest upon a firm foundation of increased activity in consuming industries. Although this has undoubtedly been a feature of the past few months, it remains to be seen whether it can be fully maintained.

For the first three months of the current year to end of June 1976 the crop was 644,110 kg. compared with 577,000 kg. for the similar period in 1975. The new wages agreement recently concluded with the estate workers' union will add to production costs but trading prospects for the current year in the improving world economic climate are encouraging.

SECRETARIES AND AGENTS:

HARRISONS & CROSFIELD, LIMITED.

LAMBERT HOWARTH GROUP LIMITED

INTERIM REPORT

The Directors announce the following unaudited result for the period 1st January 1976 to 19th June 1976. Comparative figures are for the corresponding period ended 21st June 1975.

	1976	1975
Turnover	£ 5,198,210	£ 4,529,221
Group Trading Profit	332,851	322,021
Before charging depreciation of Fixed Assets	93,285	84,129
Income from Investments	239,566	237,892
Group Profit before Taxation	245,614	243,495
Taxation—estimated	106,000	106,000
Group Profit after Taxation	139,614	137,495
Interim Ordinary Dividend—declared	27,000	25,500
	112,614	111,995

In my statement included with the Report and Accounts for 1975 it was mentioned that sales for January and February 1976 exceeded sales for the corresponding months of 1975. This improvement has been maintained in subsequent months but increases in costs and pressure on margins have resulted in a Group Profit similar to the Interim Profit in 1975.

Capital expenditure amounting to approximately £150,000 on modern injection moulding plant has recently been authorised by the Directors, for delivery towards the end of the year. This plant will not affect production levels this year but will add to our trading potential in 1977.

An Interim Ordinary Dividend of 0.80p per share (last year 0.75p) has been declared, payable on 1st October 1976 to members on the register at the close of business on 6th September 1976.

C. L. HOWARTH,
Chairman

THE FIRST SCOTTISH AMERICAN TRUST COMPANY LIMITED

Interim Statement (Unaudited)

For the six months ended	August 2 1976	August 1 1975
Gross Revenue	£ 869,446	£ 898,434
Deduct:		
Interest	241,040	232,855
Expenses	35,153	30,928
Taxation	217,265	493,460
	375,986	395,204

Gross Revenue for the six months to 1st August 1975, included interest on deposits accumulated to repay £1,900,000 of debenture stock in May and July 1975.

An interim dividend of 0.7p on the Ordinary Shares (same as last year) has been declared payable on 1st October 1976, absorbing, together with the half-year's Preference dividend paid on 31st July 1976, a total of £217,737.

	Valuation of Net Assets including full dollar premium	Net Asset Value per Ordinary 25p Share
August 2 1976	£38,141,158	85.4p
February 2 1976	£38,387,778	104.4p
August 1 1975	£30,496,441	78.9p

Belsize House, West Ferry, Dundee.

Joint Managers
A. K. Althenhead, W. D. Barr

HOME NEWS

Callaghan faces Scots call for revenue powers

By JOHN HUNT

MR. JAMES CALLAGHAN, Prime Minister, will give his supporters a firm assurance that the Government intends to press ahead with the massive devolution legislation next session when he pays a three-day visit to Scotland next week.

At meetings with the Scottish TUC and the Scottish Council of the Labour Party, he will be preaching to the converted. Among Labour MPs in Scotland, only Mr. Tam Dalyell, MP for West Lothian, and three others, remain opposed to devolution. The Scottish TUC is strongly in favour.

In fact, the executive of the Scottish party will impress on him that he must get the devolution Bill through the Commons at all costs if the Nationalists' threat of a completely separate Scotland is to be defeated.

Mr. Callaghan is, however, likely to be involved in a heated argument on the question of independent revenue-raising powers for the proposed Assembly. In its recent White Paper, the Government abandoned the proposal that the assembly should be able to raise revenue by means of a surcharge on the rates.

Unemployment

It substituted a vague promise to consider revenue-raising powers in subsequent legislation if there were overall changes in the framework of taxation and local government finance.

But the Scottish executive is not satisfied with this commitment. It has called for some form of independent revenue.

raising powers—although it is opposed to a rates surcharge or a tax on North Sea oil.

Another point which the executive will take up with the Prime Minister is the high rate of unemployment north of the border.

Mr. Callaghan, who will be accompanied by his wife, and by Mr. Bruce Millan, Scottish Secretary, meets the party executive in Glasgow on Tuesday, and the Scottish Development Agency and the Scottish TUC the following day.

Out of step

On Thursday, he lunches with the Scottish Economic Council and the Scottish Council for Development and Industry. Later that day, he visits the Royal High School, Edinburgh, which is to be converted to house the proposed Scottish Assembly.

Meanwhile, confusion continues in the ranks of the anti-devolution organisation, entitled "Labour against Assemblies in Edinburgh and Cardiff." It had been anticipated that Mr. Eric Moonman, Labour MP for Basildon, would launch the campaign this week. But he is on holiday, and intends to press ahead with it next week.

Mr. Dalyell, who was surprised to find his name given as one of the three-man administration for the campaign, spoke to Mr. Moonman by telephone yesterday. Later, Mr. Dalyell said that the anti-devolutionists seemed to be out of step with each other. He is against the launching of a widespread campaign and is content with the anti-devolution meeting to be held on the eve of the Labour Party Conference.

Agents expect leap in house prices

By QUENTIN GUIRDHAM

THE HOUSING market is confused because building costs are out of step with the buying power of potential purchasers. Many house agents believe large price increases will inevitably follow once the present backlog of developments is taken up.

These are among the conclusions of a survey conducted among members of the Incorporated Society of Valuers and Auctioneers.

So far there is no sign of the much-feared renewed spiral in house prices, the survey report said. In the up to £10,000 category prices increased only 1.5 per cent in the three months to July and in the £10,000 to £20,000 by 2 per cent.

Mr. Michael Rains, chairman of the society's estate agency committee, said there "would appear to be a consistent market movement and this must surely be a welcome trend towards stability."

Active

Returns from the society's members throughout the U.K. indicated there were only slightly fewer houses on the market at the beginning of July than on March 31.

In the under-£10,000 range there were 2 per cent more houses available. Most agents appeared to be active at this level. In the £10,000-£20,000 range there were 4 per cent fewer houses on the market.

At the top end of the market covered by the survey, the £20,000-£30,000 range, there were 7 per cent fewer houses for sale. Prices in this range were static.

The survey report stressed that the key to the market was the availability of mortgage funds and the ability of the first-time buyer to start the buy-sell cycle which works through to the top of the market.

While many agents felt mortgages were less readily available more general economic forces were restricting the number of sales, particularly in the £10,000-£20,000 range.

One agent said: "Building society restrictions may soon be unnecessary. There is a general feeling that the market is becoming more active and that even marginally increased commitments."

Agents felt there were genuine bargains available as builders tried to sell developments at prices which could not be repeated because of increased costs.

Supplies of Jensen spares assured for ten years

By TERRY DODSWORTH, MOTOR INDUSTRY CORRESPONDENT

OWNERS OF Jensen cars are assured of spares and servicing facilities for the next 10 years because the auction of the company's assets which is due to end tomorrow.

The servicing facilities are being kept on and a new company, Jensen Special Projects, has been formed to take over some of the small-scale engineering and glass fibre work.

Jensen, based in West Bromwich, went into receivership 11 months ago with £3.7m. debts to unsecured creditors. Receipts from the auction will go towards paying off the company's debenture holders, Bank of America, while shareholders are expected to get nothing.

During the long saga of Jen-

sen's troubles there have been several suggestions that the company would be rescued. But despite similar outside bids in the past—one of which brought in the most recent owner, Mr. Kjell Qvale, a Californian motor dealer—none of the tentative offers came to fruition.

Yesterday's auction started with £60 paid for five lots of car parts.

The showpieces items on sale are three cars—one a £11,750 prototype Interceptor which was never unveiled and could now fetch up to three times its retail value.

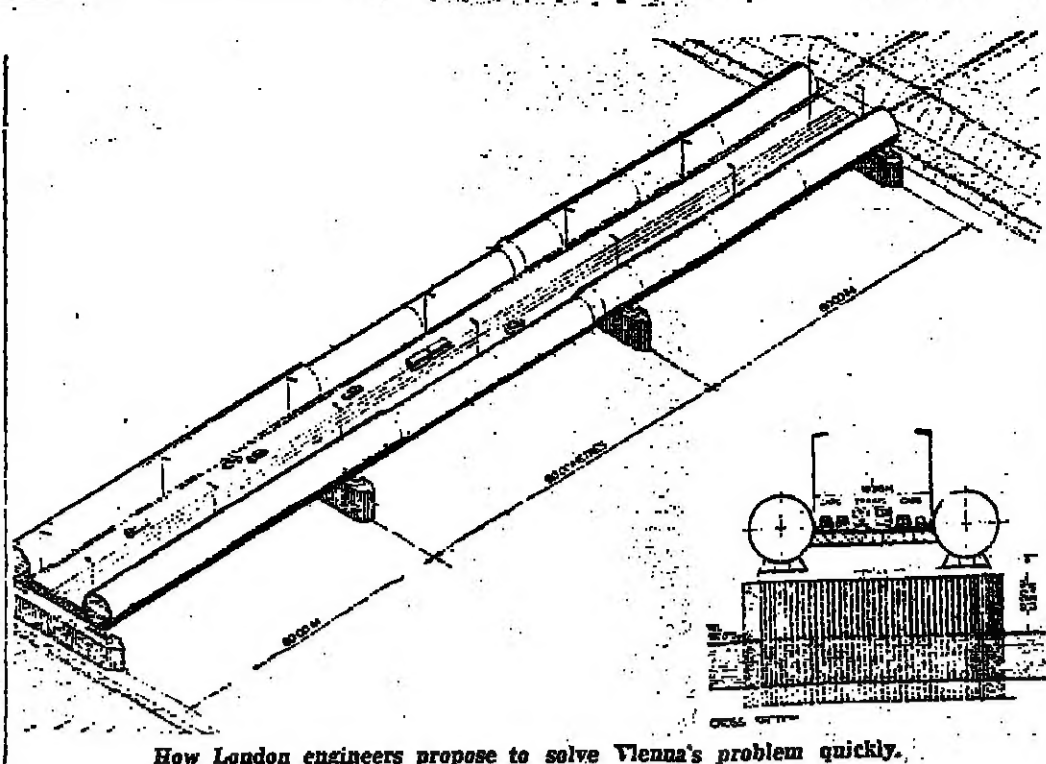
Chrysler puts up prices on Tuesday

PRICES OF Chrysler cars and commercial vehicles will go up on Tuesday when the Coventry-based company falls into line with the increases already announced by Ford, British Leyland and Vauxhall.

The increases vary from an average 5.8 per cent on U.K.-built vehicles, including the Alpine, to an average 7.3 per cent for the French-made Simca range.

Commercial vehicle prices will rise an average 5.3 per cent. Chrysler has established a distinct price advantage on its competitors by virtue of a delay of about a month between their increases and its own. In general, U.K. car prices are going up in a three-month cycle.

Examples of the new prices are: Avenger two-door DL 1300 £1,691 (old price £1,615); Avenger DL estate 1300 £1,884 (old price £1,808); Hunter DL 1725 £2,057 (old price £1,981); Simca 1100 LE five-door £1,535 (old price £1,459); Alpine GL £2,487 (old price £2,294).



How London engineers propose to solve Vienna's problem quickly.

Steel rafts from North Sea may replace Danube bridge

By ROY HODSON

AN IMAGINATIVE proposal to replace Vienna's collapsed Reichsbrücke bridge within weeks by using steel rafts built for North Sea oilfields development has been put forward by the London consulting engineers Pell Frischmann and Partners of Manchester Square.

Dr. Willem Frischmann, who advises the British Steel Corporation on structural steel applications, believes that possibly the only fabricated steel sections available in the Western world that are strong enough to bridge the Danube are anchored in the Cromarty Firth, Scotland.

British Petroleum's two giant rafts which were used to float the steel platforms for the North Sea Forties field out to their sites are now up for sale there.

Pell Frischmann suggest towing the rafts to a European port, probably Rotterdam, fitting the main steel tubes, which are up to 26-feet in diameter, and transporting the pieces by road or canal to Vienna.

One proposal for the 800-foot

temporary bridge is that two of the tubes should be welded up again side by side across the Danube supported by piers built in the river. A roadway would then be hung between them strong enough to bear four lines of traffic and two tracks for Vienna's tramway system.

The rafts have been for sale since April because BP has not found new oil-related uses for them. Sealed tenders for their purchase had to be submitted by last Friday, and BP's staff are examining offers.

Dr. Frischmann has not tendered. He said that if the scheme was favoured by the Austrians it was probable that they would handle the transportation and construction through an Austrian company and would negotiate with BP.

Mr. Sherwood was announcing Sea Containers' half-yearly figures which show that earnings up to June 30 are up from £6.6m. (£3.14m.) last year to £7.3m. (£4.1m.) Net earnings are up 61 per cent in the second quarter over the same period last year and 70 per cent over the first quarter.

A new permanent bridge is

U.S. group hopes to acquire at least ten Maritime ships

By JOHN WYLES, SHIPPING CORRESPONDENT

A CONFIDENTIAL prediction that it would succeed in acquiring at least 10 Maritime Fruit Carriers ships which have been seized by creditors came yesterday from Sea Containers Inc., the American ship and container leasing company with substantial British interests.

After several weeks of intensive talks with creditor banks and institutions, Sea Containers is now accepting that it was over-optimistic in its calculations that 20 or more MFC refrigerated cargo ships could be transferred to its new Bermuda-registered creation, Refrigerated Clipper-ships.

The number of possible acquisitions has been reduced by U.K.-registered Sea Containers' sales on behalf of leading creditors and the refusal of others to agree to reschedule their loans.

Further sales of MFC ships are

expected over the next few weeks, but Sea Containers believes that it can now reach the agreement with Danish and Norwegian creditors which will help give the Bermuda company control of at least 10 ships.

The Danish Shipbuilding Credit Foundation is claimed to be ready to make an agreement on loan repayments covering two of the four MFC ships it has had treated. However, Sea Containers declined yesterday to name the ships involved or any of the others which may be covered by agreement with creditors.

All of the ships which the company expects to acquire are U.K.-registered. Originally, Sea Containers had also set its sights on MFC's seven Israeli-flag ships, but most or all of these now seem destined for forced sales.

Mr. James Sherwood, Sea Con-

tainers' president, repeated yesterday that his company's maximum exposure in the Refrigerated Clippers venture, in which MFC will hold a 49 per cent stake, would be no more than \$5m. All ships acquired would be chartered to fruit companies and established operators "at increasingly profitable rates."

Mr. Sherwood was announcing Sea Containers' half-yearly figures which show that earnings up to June 30 are up from £6.6m. (£3.14m.) last year to £7.3m. (£4.1m.) Net earnings are up 61 per cent in the second quarter over the same period last year and 70 per cent over the first quarter.

Skye exchange goes automatic

A multi-million pound investment programme which started in 1955 will be completed in Skye in October, when the last manual telephone exchange in Britain will be replaced by automatic operation.

The 20 island operators who have provided a service for 1,500 subscribers for 28 years will become redundant.

The Post Office has spent £1m. in the last few years in the Highlands and islands of Scotland providing subscriber trunk dialling.

JOINT COMPANY ANNOUNCEMENT

ANGLO AMERICAN INDUSTRIAL CORPORATION LIMITED ('AMIC') BRUYNZEEL PLYWOODS LIMITED ('BRUPLY')

(Both incorporated in the Republic of South Africa)

The Boards of Directors of AMIC and Bruply announce that the undermentioned proposals which it is intended to be implemented by way of a Scheme of Arrangement (Scheme) in terms of Section 311 of the Companies Act, 1973, as amended will be submitted to the shareholders of Bruply. The terms of the proposed Scheme are that:

1. Bruply will reduce its issued capital (and necessary, its authorised capital) by cancelling 3,432,340 fully paid ordinary shares of 50 cents (the "Scheme shares") which are held by members other than Bruynzeel Holdings (Proprietary) Limited (a wholly-owned subsidiary of AMIC hereinafter referred to as "Bruhold") so Bruhold will then be the only shareholder of Bruply.

2. As consideration for the reduction of Bruply's capital AMIC will allot 377,558 ordinary shares in the full 11 fully paid ordinary shares in AMIC for 100 Bruply fully paid ordinary shares previously held.

The new ordinary shares to be issued by AMIC will qualify for any interim dividend which may be declared that company in respect of its financial year ending December, 1976.

The implementation of the Scheme will result in Bru becoming a wholly-owned subsidiary of Bruhold, which in turn is wholly-owned by AMIC.

Full details of the proposals will be sent to shareholders of AMIC and Bruply in due course. The listing of the Scheme of Bruply on the Johannesburg Stock Exchange will be reinstated from the commencement of business on August, 1976.

Johannesburg
18th August, 1976

Drypool jobs may be saved

By John Wyles,
Shipping Correspondent

At least half of the 1,100 jobs threatened by the collapse of the Hull-based Drypool Group look to be saved by recent important parts of the firm. A receiver was appointed company in September and since efforts coupled with 6 ment money have succeeded in disposing of the group's building and repairing in Beverley and Selby.

Sales of three of Drypool's buildings and repairing of Hull are also likely to be completed shortly.

Yesterday, the Yorkshire Dock Company said that it had completed the sale of Drypool's No. 1 and docks in Hull. Yorkshire Dry Dock is about 80 men in Hull for small ships and barg building coasters of up to gross tons.

Saudi order

A third Drypool dock in the Union, is being sold New Holland Shipyard which is based at Bar Humber.

Whitby Shipyard, where a Saudi Arabian order for lighters of 150 tons each, is being completed.

Finally, the United Company of Hull acquired group's Selby yard at the end of June with the £400,000 loan under the AEL.

It is injecting £500,000 company into Selby Shipbuilders, which now around 300 workers.

The remaining seven Drypool still in the hand receiver include two dry Hull, a small electrical, and an engineering company.

With some sales still in progress, precise employment figures are difficult to obtain, but thought likely that the Selby yards will employ provide jobs for at least 100 people. A number of firms have been in the Hull dry docks.

U.K. limit Chinese shirt quota

By Rhys David

BRITAIN is limiting its woven synthetic shirt quota to about 400,000 whole of 1976 because of a surge in shipments in half of this year.

The new restriction—indication that the Gov is now taking a tougher textile imports—meas virtually no more shirt imports from China.

Last year China exported 18,672 shirts to Britain the first six months of imports had risen to with shipments in May nearly 270,000.

China is by no means the only source of U.K. coming wear being Kong which supplied the first six months of South Korea which is 1 place with 987,000.

Concern

The Government's restriction on imports of textile industry at the ease with which supplier can suddenly a major stake in the market.

In a meeting with industry representatives last month, Mr. Edmund De la Hay for Trade, indicated Government would look at cases where the market danger of disruption of sources.

HERON

Annual Results to 31st March 1976

	1976	1975
Net Profit	£1.02m	£0.75m
Turnover	£82.9m	£75.3m
Earnings per share	3.4p.	2.9p.

Copies of Heron Motor Group Limited's accounts to 31st March 1976 are available from Heron House, 18 Marylebone Road, London NW1 5JL.

Heron Motor Group Ltd.

Handwritten note: "Handwritten note: 10/1/76 SA"

HOME NEWS

Transport policy plans rejected by Labour MPs

OUR INDUSTRIAL STAFF

PARLIAMENTARY Labour transport group, has policy consultation documents as an apology for its failure to publish a policy document. The group's proposals are more a basis for a socialist transport policy, rather than a document to be used in the immediate objective of the oil shortage which began to bite the country in the early 1970s. The group's proposals are more a basis for a socialist transport policy, rather than a document to be used in the immediate objective of the oil shortage which began to bite the country in the early 1970s.

Pardoe says top Civil Servants in U.K. are paid too much

JOHN HUNT

JOHN PARDOE, Liberal MP for North Cornwall, and spokesman for his party, said yesterday that the Civil Servants were overpaid. He said that the Civil Servants were overpaid, and that the Government should consider cutting their salaries.

Imperial Metal plants may cut processing of titanium

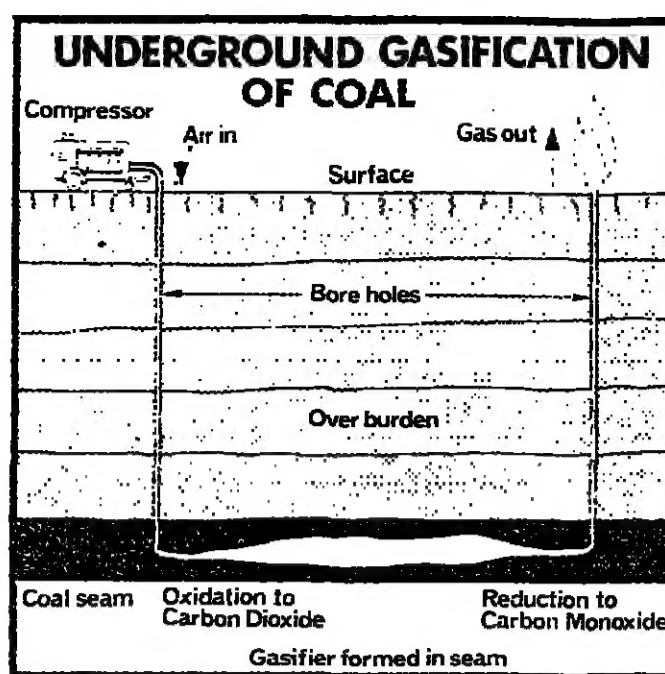
ROY HODSON

Imperial Chemical Industries (ICI) is considering cutting back on titanium processing at its Teesside plant. The company is considering cutting back on titanium processing at its Teesside plant.

Gas direct from the coal seam

BY DAVID FISHLOCK, SCIENCE EDITOR

WHY TAKE all the trouble and risks of raising coal to the surface just to burn it—67.5m tons in England and Wales alone last year—in power stations? Why not burn it underground in the seam, as is done in a gasworks, and pipe the gas straight to a power station?



underground gasification do not look so good. In the first case there would be considerable risk of seepage of toxic gases into mine workings. In the second, the technical difficulties of entering abandoned seams appear to be daunting.

Survey

Mr. Grahame, who is introducing what the NCB believes is the first comprehensive survey of the coal industry, said that the survey would cover the coal industry's production, distribution, and consumption.

Several countries have already shown that it works. The NCB, in experiments at Newnam Spuney in Derbyshire in the 1950s, successfully gasified about 150 tons of coal in a single day.



Linda Happe, aged 29, is a telephone operator at Mobay Chemical Corporation in Pittsburgh, Pennsylvania. Linda and hundreds of her colleagues handle thousands of daily calls at Bayer companies all over the world. In Tokyo and Rio, in London and Milan, in Paris and Brussels.

Irano-Intairdril S.S.K.

has been established by

Industrial and Mining Development Bank of Iran

and

Intairdril Ltd.

to engage in work-over rig services, air drilling and other specialized services for the Iranian petroleum industry.

The new Iranian company has a capitalization in equity, debt and debt commitments totaling

\$24,000,000

Including Eurodollar financing arranged by

Iran Overseas Investment Bank Ltd.

The undersigned initiated and assisted in negotiating this transaction.

First Washington Securities Corporation

The international investment banking subsidiary of

SHIELDS MODEL ROLAND

Incorporated

August 18, 1976

With their many modern plants Bayer's subsidiary companies "Mobay" and "Cutter" (Cutter Laboratories Inc. in San Francisco) form the nucleus of Bayer AG investments in the USA, the world's largest market. These companies and our many other foreign subsidiaries are ideal complements to Bayer's Common Market activities, which account for a good three quarters of our world-wide turnover.

Bayer is an internationally important producer of chemical engineering materials, agricultural chemicals, pharmaceuticals, dyestuffs, fibres, and base chemicals. Even in 1975, a year of general recession, Bayer was able to consolidate its position in world markets — thanks to its technical expertise, its economic resources, and the value of its products and services to the community.

The first six months of 1976 again saw increased turnover and earnings. Technical knowledge and intensive research are major sources of strength to the Company and are also guarantees for successful future development. The world and its ever growing populations are posing constant new challenges for the chemical industry and Bayer is ideally placed to help meet them.

Highlights of 1975

- 1975 was a year of world-wide recession. The chemical industry experienced a sharp decline. Exports were especially hard hit. Excess capacity raised costs.
- Turnover of Bayer World: DM 17,734 million. Share of foreign business 67.5%. Turnover Bayer AG DM 7,955 million. Export, share 59.3%.
- Investments Bayer World: DM 1,903 million of which 60% in the Federal Republic of Germany. Main emphasis abroad: USA, Brazil, Belgium and Spain.
- Investment in research Bayer World: DM 803 million.
- Profit after tax for Bayer World: DM 336 million, for Bayer AG DM 297 million.
- Allocation to open reserves for Bayer World DM 46 million, for Bayer AG DM 30 million.

At the Annual General Meeting held on June 29th, 1976, the resolution to approve the 1975 payment of DM 7 dividend per DM 50 share par value was passed.

For further information about Bayer please write to: Bayer AG, VS — Public Relations Department, 5090 Leverkusen, West Germany.

Bayer
Aktiengesellschaft
Leverkusen

LABOUR NEWS

AUEW boycotts tribunal in Trico equal pay case

BY ALAN PIKE, LABOUR STAFF

THE THREE-MONTH equal pay strike at Trico's West London car components factory reached an industrial tribunal yesterday, with representatives of the strikers and the Amalgamated Union of Engineering Workers boycotting the hearing.

A decision from the tribunal on the company's application for an order which would have the effect of establishing that it is not breaching the Equal Pay Act by paying women workers less than five men who do similar jobs is expected within a week.

Two of the Trico strike leaders, Mrs. Eileen Aiston and Mrs. Sally Groves, were named in the application. The strikers had said that they would not attend the hearing because they were not satisfied with the way in which tribunals were applying the Equal Pay Act.

Mr. Hugh Scanlon, AUEW president, said after an executive meeting yesterday that the union had not decided to boycott

tribunals on equal pay as a matter of general policy. The possibility of appearing at a future hearing on Trico was not ruled out.

A victory for the company might present the AUEW executive with a difficult decision. The strikers are resolved to continue the dispute whatever the outcome, but Mr. David Kemp, for Trico, suggested at yesterday's hearing that a ruling in favour of the company could end the strike.

If the AUEW continued to support the action, the union would be involved in a claim which breached the pay policy.

The tribunal was told that because of the industrial recession Trico decided last year to close its night shift and most of the men working on it opted for £100 a head severance pay plus appropriate redundancy payments.

Five of the men agreed to transfer to day work and the women are claiming the same pay as these men.

As a result they lost their £12 a week night premium, but were allowed to keep a 28 night-shift rate for a limited period of about a year.

Mr. Kemp told the tribunal that it was accepted that the men and women did the same work and were working alongside each other. The difference in pay resulted from a material difference in their position other than sex.

The only alternative would have been immediately to bring the five men down to the 'unisex' rate for the job although they had, unlike those night shift workers who opted to leave, received no severance or redundancy pay.

The company had tried to deal with a difficult position in a sensible and humane way but had served credit rather than criticism, Mr. Kemp said.

Newspaper reports are curtailed by NGA blacking

BY CHRISTIAN TYLER, LABOUR STAFF

NEWSPAPERS' racing pages and stock market price lists were curtailed yesterday because of a ban by the National Graphical Association on material from three British news agencies.

NGA printing compositors in newspapers all over Britain have been instructed to "black" copy from the Press Association, Reuters and Exchange Telegraph sent down to them for setting into type.

An NGA official said that other print unions had been asked to cooperate.

The blacking was ordered on Monday because of a four-year-old row in the NGA. A 130 news agency members were expelled from the union five weeks ago for refusing to pay subscriptions to the London

retirement fund. Other members were told not to work beside their expelled colleagues and now pressure has been increased with the national blacking instruction.

The union said that it was up to the expelled members to apply to rejoin. Meanwhile, officers of the Newspaper Publishers' Association were meeting to discuss the dispute.

A spokesman for the expelled men said that the retirement scheme was "of extremely dubious value." All other union dues had been paid.

The agencies involved supply a wide range of domestic or foreign material to almost every daily newspaper in Britain. It ranges from news stories to commodity prices.

Stage hands again halt National and Young Vic

By Christian Tyler

PERFORMANCES AT the National Theatre and Young Vic on London's South Bank were cancelled again yesterday as an unofficial strike by 80 stage hands continued.

The company said that the loss in revenue amounted to about £2,000 a performance at the Lyttelton auditorium in the National Theatre and £500 at the Young Vic.

Mr. John Wilson, general secretary of the National Association of Theatrical, Television and Film Employees, to which the strikers belong, met theatre administrators yesterday for talks on the dispute.

The strike began on Monday when the theatre refused to reinstate ten stage hands suspended on full pay for refusing to work on rehearsals in the uncompleted Olivier auditorium while performances were going on at the Lyttelton.

The theatre said that the union had accepted an interim agreement covering the National's move from the Old Vic in Waterloo Road, while a full agreement was worked out. A conciliation board on which two union executive members sat had decided unanimously that work should continue.

Stage hands are picketing the theatre entrances. Chief steward Mr. Ronald Friedrichs said that the move to a theatre with three auditoria meant the whole agreement had to be changed.

As soon as the ten suspended stage hands were reinstated, performances would start again.

The stage hands' dispute between 1970 and 1972 a week, depending on overtime. Basic pay is £20 a week, said the company.

£300 extra offered to dockers

By Ian Hargreaves, Labour Staff

LONDON PORT employers have increased the cash offered to dock workers to £300 a week, said a spokesman.

Unions demanded £1,500 and will disclose at a meeting with the employers tomorrow whether the new offer is acceptable.

The employers have also modified their proposal that the scheme should apply to all men working outside Tilbury in the face of union insistence that it should apply only to men displaced from the West India and Millwall docks, whose future is the subject of discussions within the Port of London Authority.

The employers' latest position is that only men from West India, Millwall and the Royal group of docks could be eligible for the payment.

Nine men suspended by Jaguar

THE NINE men involved in the Coventry inter-union dispute at Jaguar Cars have been suspended without pay for two weeks while they decide on an offer of alternative jobs.

The suspensions came after the findings of an inquiry by the Advisory, Conciliation and Arbitration Service, but, so far, have brought no reaction from union officials or members involved.

The transfer of the nine men—who work in the company's component-making press shop—from the Transport and General Workers Union to the Amalgamated Union of Engineering Workers, brought an allegation of membership poaching and their 50 workmates refused to operate with them.

The 30 men, mostly car assembly workers, to be thrown idle for more than five weeks. Production worth £2m. was lost.

Honeywell workers drop strike action

BY OUR GLASGOW CORRESPONDENT

ABOUT 1,400 hourly-paid employees at Honeywell's three Scottish factories in Lanarkshire, who have been on strike since last Wednesday, agreed at mass meetings yesterday to return to work today after settlement of their pay claim.

The workers, mainly women, will receive a 5 per cent increase from August 11 under a compromise formula agreed at talks in London involving the TUC and Department of Employment.

The seven-day-old strike and factory occupation by 450 workers at Rolls-Royce's Blantyre works continued yesterday in protest at the company's plan to run down and close the plant by next summer and transfer work in the main Scottish factory at Hillington.

Rolls-Royce's other 5,000 Scottish employees have been operating an overtime ban for three months in support of the Blantyre workers, who are due to meet tomorrow.

By averaging last year's increases, the formula is designed to bring the settlement within the pay guidelines. Final approval by the Department of Employment is still awaited, but neither side expects any problem.

About 1,200 hourly-paid workers at Massey-Ferguson's Kilmarnock combine harvester factory returned to work yesterday.

Support vote

SOUTH SHIELDS members of the National Union of Seamen voted yesterday to support "any industrial action the executive may decide upon" in the union's fight to have payment of its next wage increase brought forward.

R. PATERSON & SONS LTD.

Points from the Annual Report and Chairman's Statement for the year ended 31st March 1976.

Results	1976	1975
Group Turnover	£1,000	£900
Profit before Taxation and Extraordinary Items	433	189
Taxation	213	101
Extraordinary Items net of taxation	23	NH
Dividends paid and proposed	84	36
Profit retained	103	62

*The aggregate of dividends and proposed dividends is £154.7.

These results include share of profits for the 52 weeks ended 3rd January 1976 from Schwartz Spices Ltd, 50% of which is owned by your company.

The year's profits are somewhat less than we had expected when the Directors' Interim Report was issued. Our expectation was that the second half-year's results would be better than the first six months but margins continued to be under pressure caused mainly by the continuing exceptional rise in the price of raw coffee.

Operations and Developments
A considerable amount of development work has taken place during the year across the range of your company's activities. A Wines and Spirits division has been set up and further developments in this division are planned for the current year. Two other areas of operation which have been given high priority by your Directors are new product development within the Group and the further development of integrated systems at distribution of all our products.

Prospects
The continuing fall in the value of the pound brings its own problems for your company. Coffee is still a major part of your company's activities and we have seen dramatic increases in the price of this commodity, in a little over a year. Your company has progressively maintained investment in its various areas of operation. Despite international and national economic pressures your Board are hopeful that further progress will be made in the current year.

Full copies of the Report can be obtained from the Secretary, R. Paterson & Sons Ltd, 77 Charlotte Street, Glasgow, G1 5UL.

The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

ELECTRONICS

Ion implantation machine which Lintott Engineering hopes to sell to both the U.S. and Japan.

Ion gun export bid

A BRITISH company is exploiting the film market in high-current ion implantation machines increasingly needed by the world's semiconductor industry.

Lintott Engineering of Epsom, Surrey, has designed a machine costing in the region of £100,000 which is thought to have a price edge of 10 to 15 per cent on its U.S.-built equivalent.

One of the machines, shortly to be installed at Swindon, has been sold to Plessey Semiconductors, and Lintott has also signed agency agreements in the U.S. and Japan, where most of the market lies.

Ion implantation is the "high technology" equivalent of a process known as diffusion in semiconductor manufacture, a fundamental part of which is putting a small number of "impurity" ions (for example boron or phosphorus) into the surface of the ultra-pure silicon wafer so that the devices finally made from it have the needed current-carrying properties.

To date this has been done by carefully heating the silicon in an evacuated oven in which a controlled amount of impurity is present.

The impurity ions diffuse a short distance into the surface, but it has always been difficult to get them to do so in a precise and consistent way.

In ion implantation, they are "shot" at the surface electrically, having been precisely selected and accelerated by powerful magnets and high voltage acceleration "guns". Such controlled and reproducible penetration is increasingly needed in modern device manufacture.

Development of the new machine, called Series III, has been assisted by the Department of Industry and UKAEA. It is well, and it incorporates all that is necessary for implanting on a mass production basis.

Throughput is typically 400 two-inch wafers or 200 three-inch wafers per hour and the doping unit can be used to wafer and batch to batch, in a standard deviation. With an overall energy of 200 keV most industrial requirements are covered and by using doubly charged ions an energy of 400 keV can be obtained at useful current levels.

The machine is largely self-adjusting and self-monitoring and, after loading (wafers up to six inches could be accommodated) closing the chamber door initiates the process.

The processor-driven machine makes use of fibre-optic links for servo operation of the various functions and extensive interlocks make the unit completely safe. Horeham 3391.

GEOFFREY CHARLISH

AGRICULTURE

Protects trees from birds

A GAME and bird repellent for use on trees, shrubs and crops is being introduced by Daphne Madox, Smarden, Kent (023377 541), at the National Forest Machinery Demonstration, Longleat (September 22 to 28).

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TRANSPORT

Laing moves into road haulage

COMPETITION in the general road haulage industry is to be sharpened by the entry of a new major contender for business.

Yesterday, the Laing Group announced the formation of a new company, Laingfreight, which has been given limited financial backing of £5m. with the promise of a further £2m. if the venture augurs well and there is a need for expansion. The money will be invested mainly in new road vehicles.

By the end of this year Laingfreight's fleet will include 30 Atkinson 400 series tractors and 30 trailers and the aim is to double the number of vehicles by the end of 1977. The 40's (12 metre) trailers will be capable of carrying containers of 20 ft and 40 ft long and also available will be low loaders of 30 and 50 tonne capacities. Trailers for unusual loads are also planned.

The new company is operating from Welbourn Industrial Estate, Andover, Hants, and plans to open a second depot at Heywood near Manchester next year.

John Charney, managing director of the engineering division of John Laing Construction is chairman of the new company and directors are Charles Bowles, John Gilling and Peter Townsend of Laing's plant and transport services.

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the sort of figure obtained when the alloy was laminated (brazed) to both sides of a circular saw.

Other suggested applications are in office machinery (typewriters, duplicators, copiers and computer printers), domestic machinery (washing machines, mixers), and defence applications such as submarines to reduce noise emission.

Applications will require careful research and planning as the alloy cost about £2/pound, sharpened by the entry of a new major contender for business.

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The Management Page

David Fishlock talks to the Government scientist concerned with major hazards

Tougher controls to boost safety

OF the things that I Times conference on nuclear never really understood energy and the public interest Britain's attitude towards last month, John Dunster is the idea that it is acknowledged that the public what easy to take safety seems to have shown a more consistent interest in radiation than in almost any other danger to man's health. In Britain's case, the response to this interest has been no fewer than three Government bodies concerned wholly with nuclear risks: the National Radiological Protection Board (of which he

difficult to detect the long-term consequences of even high exposure to radiation. It has thrown up no evidence of effects on unborn generations, and no proof that the chance of death from disease, other than cancer, is heightened with increasing radiation treatment. The more intriguing question now is whether small doses of radiation cause any increase in health risk. Toxicologists accept that there are levels at which a

chemical is ever brought into general use. What the Health and Safety Executive—the operational arm of the Commission—wants to see is a notification scheme for any "new substance" that comes on to the market. Provision has already been made in section 6 of the Health and Safety at Work Act, which Dunster considers to be a very tough clause. The next step is to develop ways of spelling out the onus on innovators and emphasising the penalties they could incur.

But his staff has to be able to advise management on what is "reasonably practicable" or the "best practicable means". The phrases that have been severely criticised by some eager to see much tougher restrictions imposed on working conditions and effluent standards. These people see such qualitative judgments as loopholes through which canny employers can escape from their obligations. But in Dunster's view, such qualitative judgments can be "very powerful" when correctly applied and supported by quantitative standards. And the Royal Commission on Environmental Pollution has recently lent its support to this view.

Two problems

His two long-term nuclear problems consist of the fast reactor, so much quicker to respond to a malfunction than present-day reactors, and the "ultimate" disposal of highly radioactive nuclear wastes. Although he acknowledges that the fast reactor has the potential for fewer accidents than present-day reactors, "that does not mean that we are not happy to house one." He accepts the argument that a big demonstration would give his nuclear inspectors the opportunity to resolve many of the present uncertainties before the UK launched a programme of fast reactor construction.

As for the ultimate disposal of nuclear wastes, where the prime concern is with damage to the environment and the public, Dunster believes that a technical effort is needed—not on the part of the Health and Safety Executive, but from the nuclear industry and the Department of Energy on behalf of the electricity industry. But he believes that the Royal Commission on Environmental Pollution, in its forthcoming report on nuclear power and the environment, will be making a mistake if it says—as its chairman has already indicated—that there are no satisfactory methods.

With all the confidence of a man who is very sure of his ground, John Dunster maintains that there are ultimate methods of disposal already available—such as rocket-assisted schemes for driving the solidified waste deep into the ocean bed—although they have yet to be demonstrated.

Bank secrets and the tax man

BY A. H. HERMANN

MUCH ANXIETY has been created by the power which the 1976 Finance Act gives to the Inland Revenue to require businesses, including banks, to produce documents to be used for the assessment of a taxpayer's income and other financial gains. Those spending any untaxed income may, however, be immediately assured that the tax inspectors will not be able to issue notices indiscriminately requiring the production of relevant documents. They will first have to satisfy the tax commissioners—who are independent of the Inland Revenue and who are supposed to act as umpires between the taxpayer and the inspector—that production of such documents is really necessary.

It may be of some further consolation to the anxious that similar, but wider powers, yielded by taxmen in Germany since 1949, have not prevented Germans from dodging taxes on a considerable scale. The German Federal Ministry of Finance estimated recently that the abolition of bank secrecy in tax matters would enable it to bring in an additional Dm1bn. in taxes. The tax-dodging German has, of course, a considerable advantage over his British counterpart in this regard. This is because while U.K. banks report interest credited to clients to the Inland Revenue, no such routine reports can be asked of banks in Germany.

Though it is now in the process of redrafting its 1948 Bank Directive, the German Ministry of Finance feels that it would be politically impossible to ask for such routine reporting and thus to deprive the taxpayer of a means of avoidance hallowed by long usage.

Safeguard

There is not much difference between Britain and Germany on the position of banks and the supply of evidence in court. English courts view the duty of banks to safeguard the confidentiality of their clients as a result of the contract between the bank and its customer. But the courts may ask banks to give evidence in both civil and criminal proceedings. In Germany banks have to give evidence if called on to do so in criminal proceedings. The German Criminal Code leaves it to the judge to decide whether, on the balance of all interests involved, the bank should be required to provide

liquidation distributions on January 20, 1972, these were restricted to liquidations expected to be completed within two years of the first distribution, and the time limit for paragraph 25 elections was left unaltered. However, although the notes on the back of the election form CR21 do not say so, the two-year time limit can be extended by the Board of Inland Revenue in particular cases by notice in writing. If your fellow shareholder has in fact received notice in writing that the Board has accepted his late paragraph 25 election, then you will not prejudice his position by inviting the Board to treat the two of you equally. You should explain that your delay was the result of a misunderstanding of the law, giving reasonably full details of how the mistake arose. No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

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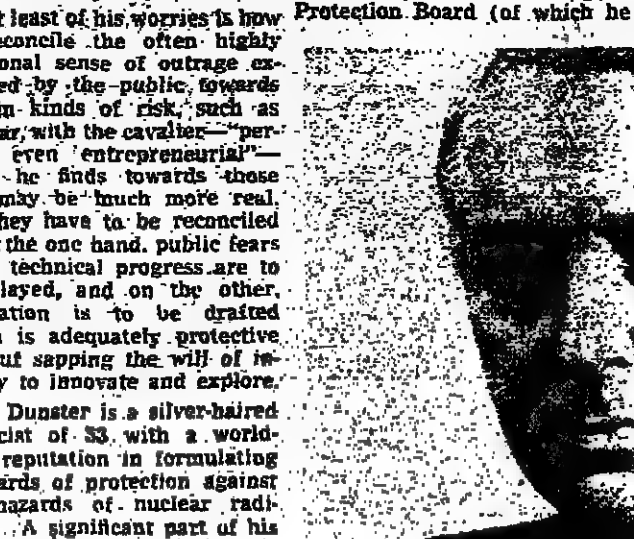
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Mr. John Dunster, the physicist who is deputy director-general of the Health and Safety Executive.

least of his worries is how conciliate the often highly anal sense of outrage exercised by the public, towards the kinds of risk, such as even "entrepreneurial", he finds towards those they have to be reconciled to. On the one hand, public fears the technical progress are to be delayed, and on the other, it is to be drafted into sapping the will of innovators to explore. Dunster is a silver-haired, 33, with a world-reputation in formulating standards of protection against hazards of nuclear radiation. A significant part of his work rests on the fact that he can be highly articulate and witty in demolishing more irrational arguments than those who oppose nuclear energy. He combines a rare silver-tongued that of a man with a neat way of winning his critics' points to his advantage.

responsibility for months ago he became director-general of the Health and Safety Executive, the responsibility for the nuclear installations. Inspector (the Government's chief nuclear inspector reports to as well as for potential industrial disasters, chemicals and industrial pollution. Dunster has just made first public statements tightening control over nuclear hazards in Britain already is impressing itself on the public's consciousness without contentious legal issues.

paper given at a Financial

was a member until April), the Medical Research Council's Committee on Protection against Ionising Radiation, and the Nuclear Installations Inspectorate. This amount of effort was "somewhat unexpected," he said cautiously, since no deaths from radiation had ever been established in the U.K., and injuries were extremely rare. "Part of the reason for this emphasis is undoubtedly irrational, but part of it may be in the extent of our knowledge of the potential dangers of ionising radiation." Over the past 30 years there have been follow-up studies on about 80,000 survivors from the Japanese atomic bombs and on patients who have deliberately been given large doses of radiation for therapeutic reasons. Data from these sources provides a vast amount of information. But one thing all this data shows is that it is remarkably

dose of such chemical poisons as chlorine or fluorine are harmless, and thus have no quibbles about recommending their use below those levels in drinking water. But they are not willing to claim that there is a threshold below which radiation is harmless. "In all normal circumstances this risk is small—for members of the public whose exposure is little different from that in nature, the risk is exceedingly small. But if there is no threshold, the risk is not zero," says Dunster.

Current thinking in the Health and Safety Commission assumes that there is no threshold for other carcinogenic (cancer-causing) agents. Not least of the problems, however, lies in recognising that a substance may be a carcinogen—or the cause of some other serious health problem—and in establishing the kind of knowledge which is available to the nuclear industry, before the

BUSINESS PROBLEMS

Short interest and deposits

Some finance companies advertise for money deposits and quote interest for 12 months and 364 day terms, rather than the 12 month period. Could you please explain any significant reason for this? Except for banks, British companies have to deduct basic rate tax from payments of yearly interest. Short interest, however, is payable in full. The net cost to the company and the net ultimate yield to the depositor is the same, whether tax is deducted at source or not, but the depositor has a cash-flow advantage at the

inland Revenue's expense if interest is payable in full. Interest on a deposit for 12 months would be yearly interest and therefore he taxed at source, but interest on a deposit for 364 days would be short interest and therefore payable without deduction of tax. There is no logical basis for the distinction, in these days of electronic calculators, but it originated in the nineteenth century.

Election for valuation

Myself and another were the principal shareholders in a company which went into voluntary liquidation in 1970. Five capital distributions were made to shareholders between 1970-71 and 1973-74. I was advised that an election for valuation at April 6, 1965 should be delayed until after the final distribution was made as only then could a correct assessment for capital gains tax be made, but my tax inspector will not allow this as it was not made within two years of the first distribution. The other principal shareholder who lives elsewhere also submitted his figures after the final distribution and has been allowed to elect for the 1965 valuation. What please is the position?

It is surprising that you were advised to delay your decision on a Budget-Day-value election under paragraph 25 of schedule 6 to the Finance Act 1965 until after the liquidation had been completed. Paragraph 25 (1) of schedule 23 in the Finance Act 1968 clearly shows (when read in conjunction with paragraphs 3 and 25 (4) of schedule 6 to the Finance Act 1965) that the right to make a paragraph 25 election expired on April 5, 1973, for all the shareholders in the company in question. Although the Inland Revenue announced some relaxations of practice relating to

BY OUR LEGAL STAFF

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WEDNESDAY, AUGUST 18, 1976

An unsettled dispute

WHEN announcing his July measures, the Chancellor gave as one important reason for the proposed cuts in public expenditure the fact that the growth of the economy during 1976-77 was now expected to be somewhat faster than he had expected at the time of the Budget. When the Organisation for Economic Co-operation and Development brought out a report soon afterwards in which it put the prospective growth of the U.K. economy markedly lower than the Chancellor's figure, he was quick to repudiate it. Yet, despite continued reports of optimism from industry, especially as regards exports, the official statistics have not provided an unambiguous picture of steady growth and it is difficult to be sure exactly how the economy is behaving.

The publication of the official estimate of gross domestic product for the second quarter of the year, therefore, might seem an occasion for taking new bearings about the situation. Admittedly it is already somewhat out of date, but it presumably includes the factors on which the Chancellor's July measures were based. It shows that national output was 1 per cent. higher in the second quarter than in the first—a rate of increase which is quite compatible with the forecasts published at the time of the Budget and one which does not suggest that any important acceleration took place between April and July.

Three measures

But it is important to be clear what this index of our GDP measures and how it goes about measuring it. There are three different methods of measuring GDP, based on income, expenditure and output. In theory these should coincide. In practice they do not, though the discrepancy between them varies considerably, and it is common practice to take the average of them as an estimate of GDP: this compromise estimate is the one given in the Budget forecast. But the information needed to produce the different estimates and draw a compromise between them is not yet all available; the detailed estimates will be published next month.

Benefit of the doubt in Spain

WHEN King Juan Carlos of Spain dismissed Sr. Carlos Arias Navarro as Prime Minister last June, the natural conclusion was that the King was asserting himself as a liberal reformer. Sr. Arias was, after all, the Prime Minister, inherited from General Franco. His approach to reform was cautious and he did not seem to have any particular rapport with his senior ministers—Sr. Arellano at the Foreign Ministry and Sr. Fraga at the Interior, both of whom had expressed themselves in favour of a faster pace of change.

Trust

The conclusion became questionable, however, when Sr. Arias was replaced by another of these ministers, both of whom had a claim to the succession, but by Sr. Adolfo Suarez, a man scarcely known outside the country and known even inside it mainly for his association with the National Movement, the only permitted political organisation in General Franco's Spain. The doubts were reinforced when both Sr. Arellano and Sr. Fraga declined to serve in the new cabinet.

Nearly two months later, the doubts look less than justified. There is still a formidable array of problems to be resolved before Spain becomes a democracy, and it is by no means certain that a solution will be found, but the commitment of Sr. Suarez to try is beginning to look convincing. Many of the problems are economic: they would exist if the Government were not at the same time trying to introduce a programme of political reform. Indeed in a way the economic problems become more difficult precisely because of the desire to liberalise the political system. The Franco regime, or a regime committed to the old ways, could have used strong arm methods against strikers. For the present Government to do so, however, is to risk charges of repression and resorting to the old methods. And yet if the

Government does not deal effectively with the economic situation it is hard to see it having much political success.

It is therefore going to be a question of establishing sufficient trust among a sufficient part of the population that the Government is acting in good faith. The confines are very narrow. On the one hand, there is the far Right which is still influential in the Cortes and parts of the military and which appears at times to oppose any reform at all. On the other, there is the far Left, which probably does not want a democracy, and the Spanish Communist Party, which says it does but only if it is allowed to participate. The strength of the Right is such that it does not seem likely that the Government will risk picking a fight with it for the sake of legalising the Communist Party.

Cortes

The Government's most immediate test will probably come with the reform of the Cortes itself. Sr. Arias when he was Prime Minister rather ducked the issue with his cryptic remark about there being "no reform without continuity and no continuity without reform." What he presumably meant was that reform had to be approved in order to be legitimate by the institutions inherited from General Franco. In this way the Cortes would have to agree to vote itself out of existence so that it could be replaced by something else. But it might very well come to the point where the Cortes refuses to do so. It is this possibility for which the Government must now be prepared. Rather than water down legislation, as Sr. Arias was inclined to do, in order to get it through, the King must be ready to rule by decree. It may seem a strange way of approaching democracy, but it stands a better chance of success than bowing to the present Cortes.

An ambivalent France, and U.S. domination, make EEC collaboration difficult. Reginald Dale report

Weaknesses in Europe's high technology

JUST over 3½ years ago, when Britain joined the Common Market, the EEC Commission was busily studying a series of industrial policy proposals the main drift of which was that West Europe's high technology industries should regroup at Community level. The Commission's thinking was based on the conviction that it was only by pooling its resources that Western Europe could stand up to the American challenge and ensure an independent future for its advanced technology industries. Even at the time, many people thought the Commission's proposals, with their somewhat "idealistic" overtones, were unrealistic. If anything, the events of the past few years, leading up to last week's French decision to co-operate with the American giant McDonnell Douglas on the Mercure 200 airliner, have tended to cast further doubt on the viability of the approach.

In practice it has often been the French Government that has appeared to undermine efforts at technological collaboration, despite its public professions that it is the most "European" of all the Nine—France, for instance, roundly condemned Belgium, the Netherlands, Denmark and Norway for their lack of "Europeanism" in buying American aircraft in the "arms deal of the century" in preference to French Mirages. But France is the only major Community aircraft producer to have stayed out of the Multi-Role Combat Aircraft (MRCA) project, in which Britain, Germany and Italy are participating; France was responsible for the collapse of the Unidata computer group, linking the French CII with the German Siemens and the Dutch Philips; and the decision to go ahead with the Mercure 200, a larger version of the unsuccessful Mercure 100, with McDonnell Douglas as regarded, at least in British circles, as a further threat to European co-operation on civil aircraft.

Inside France, the Left and the trade unions are already showing signs of concern that the deal with McDonnell Douglas will increase the threat of American dominance over French industry—despite Government assurances to the contrary. In fact, Paris has over the past few years been following a consistent policy of trying to assure a maximum of French control, not only vis-à-vis the U.S., but also with regard to European companies with whom it does business. One of the main reasons for the French withdrawal from Unidata seems to have been unhappiness over the dominant role of Siemens, with a computer division twice the size of CII and a greater amount of new technology. In exchanging Unidata for the link with the American Honeywell in CII Honeywell Bull, Paris at least

secured nominal French control over the new company.

There are plenty of other examples. Westinghouse has been required to reduce its stake in the French nuclear company Framatome; in return for a lucrative telephone exchange contract, Ericsson of Sweden and the American ITT were induced to cede majority interests in their French subsidiaries to French control, and there is now an attempt under way to persuade the Swiss Brown Boveri to do the same in exchange for a power station contract. The McDonnell Douglas share in the Mercure 200 project is only 15 per cent, and one reason why the deal has been preferred to co-operation with Boeing on a smaller version of the European Airbus may well have been that Boeing's participation would have been higher. As with Honeywell-Bull, the French aim appears to be to secure American technology, with the possible additional hope of a market in the U.S., while maintaining national control.

The deal with McDonnell Douglas must further seriously weaken the prospects for future European collaboration as envisaged in Brussels. The Commission seems still to believe that it only needs political courage to reorganise the European aircraft industry through a common programme of projects and the centralising of financing and decision-making. It has shelved an earlier fanciful suggestion that the industry's resources should be pooled under Commission control, on the same lines as the European Coal and Steel Community, but it still believes that decisions should be taken at Community level.

In particular the Commission believes that Europe could beat the Americans by up to two years if the EEC manufacturers are to co-operate in launching a new version of the Airbus, the so-called B10 version of the A300. But Britain is already making it clear that the French move means that it is now virtually impossible to establish any firm plans for U.K. participation in the Airbus, despite British enthusiasm to rejoin the project.

General Electric and Rolls Royce

planning a joint engine develop-

ment with Pratt and Whitney.

The main counter-argument is

that trans-Atlantic collaboration

would inevitably lead to the

European industry being re-

duced to the status of sub-

contractor, with all technological

innovation centred in the U.S.

Certainly, the breakdown of

European collaboration on com-

puters does not seem to have

done anyone serious harm.

There are considerable doubts

about the long-term benefits

that France will derive from the

link with Honeywell, in view

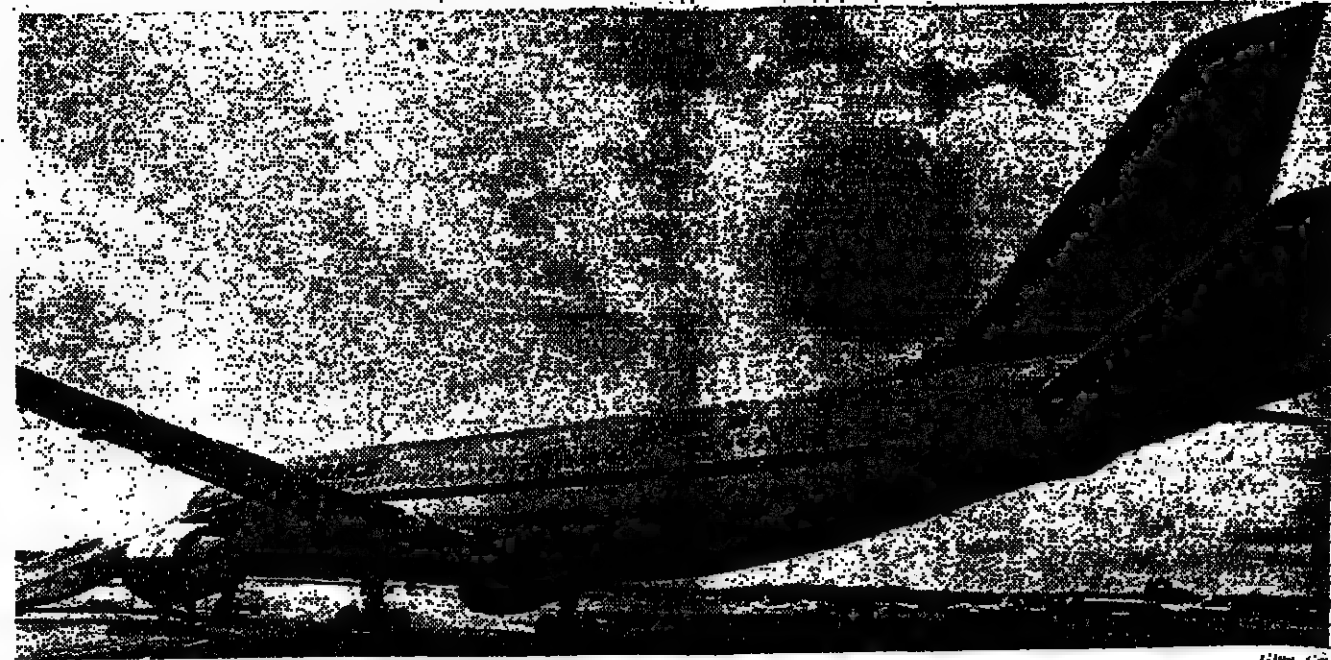
of the likelihood that the

American company will con-

tinue to regard the U.S. as its

main market and develop most

of its technology on the other



The Airbus A300 B2

the implications of the link with McDonnell Douglas. One consequence could well be a new move by the other European producers, and particularly the U.K., to collaborate with Boeing. There are, in any case, an increasing number of people in the British industry who believe that the future must lie in co-operation with the Americans rather than the EEC, although the Commission claims that its plans are broadly supported by the industry itself, and only opposed by Governments.

There are strong practical arguments in favour of trans-Atlantic links. Part of the background to the French decision is said to be impatience with the

effort to 'get together' to meet

American competition in the

fast-growing field of micro-

electronics, in which U.S. com-

panies already dominate the

European market. With the

speed of the development of

integrated circuits, the Euro-

peans are rapidly becoming

aware that whole sections of

their industry, ranging from

television sets to cars, could

become dependent on American

components unless they combine

to meet the challenge. In

Britain, Plessey and Ferranti,

together with the Department

of Industry and the National

Enterprises Board, are nearing

a decision on whether the two

companies' micro-electronics

subsidiaries should be merged,

possibly with Government

financial help.

At European level, the

leading semi-conductor manu-

facturers from the U.K.,

Germany, France, Italy and the

Netherlands, plus the nine EEC

Governments and the Commis-

sion, have started exploratory

talks. But here again the

discussion is not concentrating

on mergers but on the possi-

bility of specific co-operation

deals between companies and

the co-ordination of national

programmes. The market is

so sufficiently "fast-growing" for

there to be scope for the Euro-

peans to respond to the

challenge if they can organise

themselves in time. But it will

be difficult without the aid of

American technology. Philips

has already bought Signetics,

one of the medium-sized U.S.

companies in the field, and

Siemens and Plessey have

bilateral links with American

companies for certain products.

One of the major unvoiced

issues of the talks at European

level is the future of these links

if the Europeans are to

collaborate more closely among

themselves.

RECENT FRENCH/U.S. DEALS

Industry	Principal French companies	Principal U.S. companies	Nature of Agreement
Nuclear Power	Framatome	Westinghouse	Licensing agreement for pressurised water reactors (to end in 1983)
Computers	C.I.L.	Honeywell	Merger
Aero-engines	SNECMA	General Electric	Co-operation on engine production
Airframes	Aérospatiale	McDonnell Douglas	Co-operation on aircraft production
Telecommunications	Dassault-Brequet Thompson-Breguet	ITT	French takeover

* Also takeover of French subsidiary of Ericsson of Sweden.

MEN AND MATTERS

Alice in Savings land

Next week sees the first meeting of a working party whose members will start the process by which the National Savings Committee, the promotional and educational side of the Savings movement, must decide how to put together some new form of administration. For the Government has decided as part of its public expenditure cuts to withdraw the 580 civil servants who currently work for the otherwise voluntary organisation.

In a somewhat delicate statement, the Government has said it will continue some form of "financial support" and has asked the Committee to come up with ideas on how it will be run in future. The cost of providing civil service support is currently put at £1.8m. a year. The Committee realises it will have to spend less than this, but in a classic chicken-and-egg dilemma, wonders how it is to present proposals to Government when it does not know how much money will be available. Chairman of the working party is Italo Radice, who retired earlier this year as Comptroller General of the National Debt Office. "We are obviously going to have to cut through this vicious circle somehow," he says.

The "operational" end of the movement is the Department for National Savings. There, it is intended that the number of civil servants by early 1978 will be about 650 less than earlier estimates. The same date is the target for withdrawing the Committee's 580 staff, who include district commissioners.

This is National Savings Jubilee year, but there has been precious little atmosphere of celebration. As Radice says, there have been a "succession of hammer blows on the move-



remove the editor of National Savings' two magazines with no prospect at present of a replacement arriving before 1978.

Some worries have already been expressed that Radice's group might tend to take a worthy, rather old-fashioned Savings line rather than display the toughness the Committee probably needs to survive. The whole question, as a prominent National Savings man put it, has "a touch of the Alice in Wonderland."

Honest?

Company nicknames are part of life, but I do like the irony of the two senior executives in the same company—one called "Fluffy" and the other called "Turgid." The chief executive described his latest memo in those terms, "Turgid" got his for the same reason—but all he had done (he claims) was to submit the minutes of the last Board meeting.

Frank?

Guernsey's Post Office, which has made over £1m. from the sale of stamps since going independent of the U.K. in 1969, yesterday took the unprecedented step of disclosing that the worldwide sales of its recent first Europa stamp issue now totals 1,185,014 sets. These are two stamps with face values of 10p and 25p which were issued in "mini sheets" of nine instead of the usual 25.

Long before the issue, the philatelic scene was alive with rumours that insufficient stamps were being printed to meet the anticipated demand... rumours which the Guernsey Post Office tried very hard to quash. Its efforts were not helped by the fact that less than a week after issue, the stamps became un-

obtainable across local Post Office counters.

The Post Office hopes that the disclosure of sales figures well above the usual 400,000 sets, will end the non-stop pounding it has been taking in the international philatelic press and perhaps bring down the retail prices of the stamps to collectors. These are currently £2 for a mini set, around £15 for a pair of the mini-sheets, and over £25 for a presentation pack.

However, initial reaction from the trade is that because the figure is a sales total rather than a print total, the news will have little effect. It is pointed out that many collectors want the unusual mini-sheets, which takes a whole set out of circulation at a time.

Nuts

While many American eyes are on the Republicans in Kansas City, the Democratic Presidential candidate is up to his ears in peanuts. Jimmy Carter is, of course, only too happy to let the world know he's a humble peanut farmer but his fans seem to think he hasn't had enough of peanuts in his life. They have been sending him pseudo peanuts of every description—plaster ones, wood ones, brass ones, copper ones and many other types.

Since Carter has a firm policy that "absolutely no gifts of value should ever again be permitted to a public official," these gifts present a problem: is it really worth spending campaign funds returning plastic peanuts?

Stir

I'm not sure what we've done now, but a book arrived at the FT the other day addressed to Mr. (Communication Department).

Observer

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1976/10/15

The Financial Times Wednesday August 13 1976

Till taught by pain man knows not what good water's worth: Byron's line is echoed by the news that London faces a ten per cent. water cut. A wider view by Donald Maclean.

The lessons of the drought

THE EVER-RISING surface of the sea, the construction of estuary barrages to prevent water running out to sea and the covering in 250 years of records, has also thrown into prominence an old, but recently re-visited, debate over how the water industry in England and Wales should be organised.

Within just over two years of a major reorganisation in the summer of 1974, another important development is now planned by the Government. The 1974 reorganisation was a response to the growing central role of the industry by giving it wider powers to the National Water Council, which recently acts as a co-ordinating body for ten largely independent regional water authorities. A consultation document on this was issued in June.

The fundamental question is to organise the water industry in such a way that supply keeps pace with changes in demand and distribution and rising standards and that no part of the country is vulnerable to the sort of crisis which occurred this year.

The underlying crisis is the fact that while many areas have more than enough water, there are others which are under-served—for example, regions in the South-East, Wales, Wessex, and parts of Yorkshire. But the longer the drought continues, the greater the danger of other areas being affected.

The long-term plans being formulated tackle the problem in two directions. On the one hand they propose better ways of storing and distributing water, and on the other they propose certain schemes for increasing water supply.

The supply plans include the building up of a national water

main ingredient in the industry's short-term programme to deal with the crisis and the object of the new Drought Act is to give local authorities the necessary powers to cut water supply.

The Act provides for unlimited fines on indictment (and up to £400 on summary conviction), and gives powers to restrict the watering of



Work on new reservoirs, including those at Embsay in North-East, has been continuing. Reservoir schemes tend to provide widespread local obstructions, but the recent spell of dry weather has probably led to a greater acceptance of change—if the recent speeches by MPs during the Commons debate on the Drought Act are anything to go by.

None of these measures—the creation of new reservoirs, the setting up of a system by which water can flow from well-watered parts of the country to the dry areas, and a system of estuary barrages similar to one recently completed in the Wash—can be implemented quickly enough to deal with the present drought.

With industry facing short-term working, and possibly total shut-downs in certain areas, and with fish and cattle dying, and the harvesting of crops being delayed, the industry is looking for short-term schemes for increasing supplies. Some of these

schemes are enough to make a naïf turn in her muddled bed. They include putting a plastic "sausage" in the Hampshire Avon to act as a dam to maintain supplies of water for Bournemouth—and perhaps the most ingenious of all—plans to make the Great Ouse run uphill to provide supplies for Northampton.

The Anglian region is one of the worst sufferers of the drought and the Northampton district is among its most badly hit areas. Not only is it a part of the country where there is substantial growth in housing, but one which has a relatively low rainfall. On the other hand, it is fairly flat, so that reversing the natural course of a river is apparently possible by pumping water backwards over a few locks. The idea is still being examined by the regional authority.

Other schemes in the area are already working. These include piping water a few miles overland in a temporary system from one river to another to supply South Lincolnshire, and using a set of gravel pits as a natural filter for water pumped out of the Easingham reservoir, where there is as yet no treatment plant, and then after final treatment, pumping it into the supply pipes.

The shorter-term ideas now operating of switching water flows from one river to another are mirrored in the longer-term projects—such as that to feed the badly hit area of South-East Wales by transferring water from the Wyre to the Usk, and by a scheme to run water from the Severn into the Thames river basin.

Inevitably the drought has raised questions about the efficiency of the water industry—

should it have been better prepared for the emergency and has the recent reorganisation helped or hindered matters?

Apart from the water industry itself, numerous other bodies are involved—the local authorities, for example, and the Inland Waterways Association. There are political arguments over such issues as the exporting of water from Wales to England and the proposal to charge for domestic water supplies on a metered basis. There are questions over what priority should be given to racecourses, bowling greens, the pitch at Lords, and the grass courts at Wimbledon.

The 1974 reorganisation of the industry was based on the hydrological cycle—air-land-river-sea-air—and on the river basin structure of England and Wales.

With the National Water Council co-ordinating, ten authorities were set up in the two countries, each with basic control of both the supply of fresh water and the disposal of sewage.

They also inherited a substantial programme of capital works aimed at restoring run-down equipment, repairing not only leaking underground pipes (substantial amounts of clean water are lost in this way) but restoring antiquated sewerage systems where there are not even maps of the sewers to work from.

The scale of the operations involved can be measured from a recent report that suggests it might cost £300m. to replace the mains and sewers if

necessary, and that maintenance alone requires the spending of £330m. a year. In 1974-75, the industry—which has initially been required to run on a non-profit/non-loss basis—had a current expenditure of £620m., while capital expenditure was £420m.

But the financial problem is a growing one. For 1976-77 capital expenditure of £620m. had been budgeted for—some £350m. being allocated to sewage treatment, which includes processes enabling water to be used more than once.

With sums like these, it is no surprise that the National Water Council has emerged as a major borrower in the Euro-currency market. As recently as June it arranged a loan of £170m. from international banks, under Government guarantee, at a fluctuating rate of interest.

This follows the arranging of loans totalling \$890m. (about £450m. at the current exchange rate) from Iran, and other smaller loans, from the European Investment Bank.

If, as some academics have suggested, there is a basic change of climate taking place which will reduce the country's water supplies on a long-term basis, the investment programme of the water industry may need to be even larger.

What is quite clear is that after the experience of 1976 water consumers, both domestic and industrial, will be taking a much keener interest in where their supplies are coming from and whether the structure and development plans of the water industry will be capable of preventing a similar crisis.



The shape of droughts to come? With hoses in the Royal Parks turned off, gardeners in St. James's Park fill their cans from the lake.

Letters to the Editor

Wages and inflation

Mr T. Burns

In the absence of substantial structural changes to the economy I am surprised to see Mr. Godley (August 10) agree so strongly with the view that the "unemployment rate" is accelerating at about 1m. I agree that he disagrees with implied mechanism but the all result seems to be consistent with his own work.

The standard monetarist's job of calculating the real rate of unemployment is to estimate what they call an "equilibrium" Phillips curve (that is one in which inflationary expectations affect the wage bargain with an impact of one-for-one, in addition to the effect of the unemployment rate) to infer the unemployment rate at which the gap between demand and productivity growth remains constant. For a variety of reasons it has become difficult to estimate the Phillips curve of this type. Periodic mass policies have shifted the curve from one period to the next and blurred whatever relationships exist.

Although some progress has been made there are severe practical difficulties in obtaining reliable estimates of the Phillips curve. There is considerable suspicion that the number of reasons for the "natural" rate of unemployment has been rising, and it is difficult to allow for this by extremely simple means. Because the wage rate is relatively unstable, it is not possible to obtain an estimate of the sustainable unemployment rate and Mr. Godley has stressed some of the difficulties of the work so far.

The only evidence we can use to assess the inflationary implications of alternative unemployment rates, at all levels of world activity, is the unemployment rate consistent with overseas balance of payments. The rate of unemployment (which is a useful indicator of the inflationary pressure) is rising, and it is not clear how to reduce it. Monetary policy will lead to an external position, a balance of payments and a balance of trade in surplus.

Our own work is that it is very unlikely that the unemployment rate will fall below the 1m. mark in the next 10 years, and now and 1980 other expansionary policies will almost certainly lead to a sharp deterioration in the balance of payments and a balance of trade in deficit.

Mr. Godley's view, that the "natural" rate of unemployment is very far from the 1m. mark, is a very attractive one, but it is not clear how to achieve it. The balance of payments and the balance of trade are the only flexible elements in the economy, and they are the only ones that can be used to adjust the economy to the world market.

agree about the appropriate structural changes that are necessary. Mr. Godley's analysis is a sound one, and it is to be hoped that the balance of payments will be improved by a phased reduction in the budget deficit. Others concentrate upon the need to increase the efficiency of the labour market and goods market in order to allocate resources to those industries whose products have the best chance of competing in the world market. The underlying unemployment rate has clearly been rising for many years now as the economy has failed to adjust itself to the changing patterns of world demand and supply. In large measure this has been because of the rigidities introduced into our markets during the many attempts to protect existing employment in particular industries regardless of world demand conditions. This deterioration in our employment position has crept up on us over at least two decades and is unlikely to vanish overnight.

Terry Burns

Senior Lecturer in Economics, London Graduate School of Business Studies, Sussex Place, Regent's Park, N.W.1.

—an issue being raised by the Americans at the world trade negotiations in Geneva. It is most important that this country should be seen to honour its pledges in international trade treaties and should not look for ways to circumvent such agreements, especially as in my view there is no advantage to be gained.

I am pleased to see that Mr. Bonham Carter agrees with me regarding selling in foreign currency—our difference of opinion stems from the fact that I see no necessity for paying insurance premiums against the risk involved in selling forward strong foreign currencies where he advocates the introduction of such a scheme which may well interfere with existing international agreements. The loss in currency would only come into effect when a buyer defaults but since according to ECOT statistics, only 1 per cent. of the total of buyers default, the loss of such foreign exchange would be negligible.

A. Monnickendam, 66, Hutton Gardens, E.C.1.

From Mr. W. Courcouf.

Sir—The letter from Mr. Empson (August 14) on the withdrawal of the private investor from the Stock Market is entirely incorrect in attributing it to the prevailing high interest rates. Surely no one in this present climate is so stupid as to purchase stocks and shares on borrowed money; there is no more certain way to lose and disaster.

The real reasons are: (1) the penalty rate of the investment income surcharge; (2) the doubling of the stamp duty and the increased rate of S.E. commission charged.

A recent transaction of mine may be of interest to you and your readers.

August 7, 1975: Purchase of 20 Suez Canal shares at £40. Cost £813.26.

November 12, 1975: Sale of 20 Suez Canal shares at £46.25. Consideration £925.00.

Less commission £13.88. Plus VAT £1.11. Less adjustment for forfeit of 25 per cent. dollar premium currency £90.78.

Profit to myself £57.00. Profit to Inland Revenue £90.78.

What is the sense of buying more shares under present conditions? It only adds to one's liability to investment income surcharge. Our Chancellor of the Exchequer may have learnt something since quite early on he made his notorious "howls of anguish and pique" oration but he has done nothing to encourage the genuine private investor (large or small) rather the reverse; he has doubled the stamp duty and raised the forfeit on sales of foreign investments to 25 per cent. of so-called dollar premium currency.

It is really quite remarkable that our Stock Market has held up so well.

G. H. Wood, 1, D'Abernethy Drive, Cobham, Surrey.

From Mr. D. St. George.

Sir—The recent BBC 1 investigation into marketing disappointment. The risk business goes to market. It has an excellent exposition on the rise and possible demise of the Dunlop "Denovo" tyre.

This tyre was intended to be not only a significant technical breakthrough but also a highly attractive marketing proposition. Not only could it be driven on even after a puncture, it could enable motorists to do without spare wheels. Recent discussions with Dunlop at local tyre depots had revealed some interesting points which are unlikely to have been raised in pre-launch research.

Although the idea of this tyre was attractive, the realisation that this was an extra cost and on non-standard rims put many people off. People quite frankly do not believe that one can dispense with a spare. Up to 20 minutes to repair a tyre does not make commercial sense for a car tyre. Women especially drove on the tyre for a long time after a puncture. There was a belief that this was perfectly all right as the advertising suggested this tyre was to be replaced at considerable expense and hostile annoyance by the customer.

I wish Dunlop well with this excellent idea and suggest it gives far more help to the trade in educating the public and convincing its own staff of the benefits.

D. A. B. St. George, 24 Lancaster Close, Lee-on-Solent, Hants.

From the Chairman, A. Monnickendam.

Sir—Mr. Bonham Carter (August 14) seems to have missed the main argument in my letter of August 10 by failing to comment on the objections raised by the U.S. Government and the EEC Commission in regard to the new Export Credits Guarantee Department scheme to safeguard exporters against possible currency losses. This scheme would appear to infringe upon the articles of the General Agreement on Tariffs and Trade

—an issue being raised by the Americans at the world trade negotiations in Geneva. It is most important that this country should be seen to honour its pledges in international trade treaties and should not look for ways to circumvent such agreements, especially as in my view there is no advantage to be gained.

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COMPANY NEWS + COMMENT

TDG first half expansion to £6.96m.

FIRST HALF 1976 turnover of Transport Development Group increased from £6.17m. to £7.11m. and pre-tax profit advanced from £5.1m. to £6.96m. For the year 1975 turnover was £129.35m. and profit £12.12m.

No far second-half results have continued the pattern established in the first six months. A number of operating companies are reporting increasing activity which gives encouragement in the short term, however, uncertainty in the long-term outlook for the U.K. economy may still appear to be, the directors state.

Earnings per 23p share for the first half increased from 2.13p to 2.64p and the interim dividend is effectively raised from 0.525p to 0.575p. Last year's total was equal to 2.50p.

Of the pre-tax profit £5,628,000 (£5,377,000) was derived in the U.K. and the balance of £1,236,000 (£1,027,000) overseas.

In the U.K., since the end of the half-year, a successful offer has been made to acquire the outstanding share capital of H. Cox and Son (Plant Hire), as a result of which 92 per cent of the capital is now held.

In Western Germany, holding companies are being established to facilitate acquisitions in that part of Europe. In Australia, a small Sydney based transport company, Nield Transport Services, acquired in April. There are now increasingly favourable opportunities for growth by the acquisition of sound and well managed businesses, the directors state.

comment

Transport Development Group's sensitivity to short-term fluctuations in the economic cycle is amply demonstrated by the 24 per cent growth in pre-tax profits at the interim stage on the back of a 17 per cent rise in sales.

A slight upturn in the U.K. economy, dividend payment is raised from 0.525p to 0.575p net. Mr. R. E. Ford, in his first annual statement as chairman, reports that overall figures, with record levels of turnover and trading profit, disguise the effects which last year's recession had on the individual sections of the group. While the two main U.K. operations—both improved their performance significantly, a number of the smaller operations including the overseas companies showed a decline in their level of activity. An exception was V. A. T. Microfilm, acquired in February 1975, which more than doubled its turnover and profit in its first full year within the group.

In the year under review two unprofitable activities, the retail shop in Bond Street, and a small subsidiary company in Belgium, were closed. A number of promising new products have been introduced and the acquisition of the U.K. Kollman aviation instrument range has been successfully completed. The outlook for the group depends very much on there being a sustained recovery of confidence in the U.K. economy. After a depressed first half, due to the general decline in order intake experienced during 1975, Mr. Ford is cautiously optimistic that with continuation and extension of the trends of the last few months, the second half of the current year will again see an improvement in the group's performance.

Against this, the much more profitable storage industries, which normally contribute just under half total profits, have had a dull time with dry goods warehouses suffering from client destocking. The other casualty of the economic cycle is the low-margin construction and reinforcement industry and as yet there is no sign of any real improvement here; but with continued substantial growth in haulage profits and signs of renewed stockbuilding in the storage subsidiaries, pre-tax profits of £14.0-£15m. look on the cards for the full year. The shares closed 3p higher at 54p, where they yield 8.0 per cent.

Against a background of depressed economic conditions which led to short-time working during the half-year, the directors regard the results as satisfactory.

The predicted upturn in the economy is now reflected in the forward schedules of main customers. But their effect will only be apparent during the last quarter of 1976, the directors state.

Subsidiaries in Belgium and Brazil have been formed and several other overseas projects are being negotiated.

comment

Considering that Clayton Dewandre suffered a significant fall in sales volume during the first half, which necessitated about three months of short-time working, the marginal rise in pre-tax profit seems fair enough. The group is concentrating on building up exports so far in this direction as many of the competitors (last year they accounted for only 11 per cent of sales). The second six months should see some improvement.

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increase in the growth rate, since it will compare with a less buoyant period than the first half, but any significant improvement will probably have to wait until well into next year. In the meantime, the balance sheet remains strong and the shares at 79p are well supported by a yield of 11.89 per cent.

Negretti has better second half

THE YEAR ended March 31, 1976 at Negretti and Zambra sees pre-tax profit 8 per cent ahead from £282,103 to £270,515 after being down from £280,888 to £276,338 at mid-year.

Turnover for the 12 months amounted to £7.11m. compared with £6.17m. an advance of 10 per cent. Direct exports were up 49 per cent. at £1.43m.

Earnings per 33p share improved from 8.8p to 9.8p and the dividend payment is raised from 2.585p to 2.975p net.

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1974 figure of 39p (which included, even then, some element of revaluation). Earnings should now move smartly ahead. In 1975 they were depressed by the reorganisation which involved losses on the turnaround situations which have been acquired. The move away from small units to big leisure complexes seems to be going well and trading profits could well be doubled. A contribution from the £21m. on deposit would come on top of that. The small yield of 3.2 per cent at 48p is a drawback. But a discount of 30 per cent on net tangible assets makes the shares seem conservatively valued.

Ofrex 18% up after six months

TAXABLE profit of Ofrex Group increased by 18 per cent from £1.02m. to £1.2m. on a 12.6 per cent increase in sales from £12.1m. to £13.6m. for the first half of 1976. And with margins improving from 9.2 per cent to 9.7 per cent, sales chairman Mr. G. Dresler says the outlook is "more optimistic".

The interim dividend per 30p share is increased from 1.05p to 1.15p net. Last year's total payment was 2.85p. from profits of £1.69m.

After taxation up from £580,000 to £585,000 net profit for the six months advanced from £460,000 to £470,000 and profit retained from £235,000 to £472,000.

Both the Australian and the Canadian companies increased sales and profits and the new U.S. company is moving into profit after inaugural losses, Mr. Dresler says.

While the two principal manufacturing companies operated at a loss during the period, order books are recovering and the slimmed-down manufacturing unit should be able to achieve better financial results in the second half this year adding strength to the overall picture, he adds.

He feels that the effect of the changes made to cope with the climate of business at present will prove to be beneficial.

The group manufactures and markets internationally office supplies, stationery, educational supplies and equipment, paper of handling and shredding machines.

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INTERNATIONAL COMPANY NEWS + EURO MARKETS

Ericsson hit by big losses in Brazil

STOCKHOLM, August 17. ERICSSON, the Swedish telecommunications group, states the report for the first half of 1978 that it has suffered a substantial loss in Brazil. The group's Brazilian operations, which began in 1975, have incurred a net loss of Kr.173m. in the first half of 1978, compared with a profit of Kr.204m. in the first half of 1977. The loss corresponds to a 4.4 per cent of sales.

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Buoyant profit trend in South Africa

JOHANNESBURG, August 17. SPITE THE continuing weakness of the Johannesburg market, the results of the first half of 1978 for the 100 companies comprising the Johannesburg Stock Exchange (JSE) show a buoyant profit trend. The group's total profit for the first half of 1978 was R207m, compared with R184m. in the first half of 1977. The increase was due to a rise in the yield and a pattern of increasing dividends, except in the case of groups heavy with losses. The increase in the yield was due to a rise in the yield and a pattern of increasing dividends, except in the case of groups heavy with losses.



Jacques Borel

Big Bourse comeback for Borel

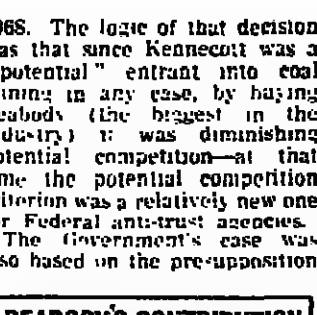
PARIS, August 17. SHARES in Jacques Borel International, the aggressive French catering and hotel group, staged a vigorous recovery on the Paris Bourse, after a decline which had cut the value of the stock by 32 per cent in four weeks. After closing on Friday at Frs.248 a share, compared with Frs.363 on July 22, the shares jumped over 11 per cent during today's trading session to Frs.277, in part as a result of a recovery in the Bourse, but also because of the group's strong performance in the first half of 1978.

KENNECOTT PEABODY DIVESTITURE

On the horns of a dilemma

BY STEWART FLEMING, NEW YORK AUGUST 17

HARASSED executives of Kennecott Copper, the country's leading copper producer, over the coming weeks will be hastily trying to conclude the divestiture of Peabody Coal, the largest U.S. corporation. After buying Peabody Coal in 1968 for just over \$500m., Kennecott is now desperately trying to sell it, having in the meantime invested another \$500m. in what was already the biggest coal company in the United States. Peabody's accounts for \$94m. of Kennecott's \$23m. of total assets.



PEABODY'S CONTRIBUTION TO KENNECOTT'S PROFITS

Unhappy detour. It is hard to believe however that Kennecott's directors are not looking ruefully at the sight of Atlantic Richfield, one of the oil companies building a very strong position in the coal industry, this year buying its rival Anaconda while Kennecott is being forced to sell its coal interests.

In the face of these changes in the structure of the coal industry, Kennecott's management has appealed against the divestiture through the courts and back to the FTC commissioners, but with little success. On the last appeal to the FTC, however, the commissioners split three to two in favour of maintaining the divestiture order. But the FTC maintains now that there is no published information on the factors that influenced the majority to stick to the original decision.

Caution. However the divestiture is completed, whether by the sale of Peabody as a unit or by spinning off the bulk of its stock to the shareholders, it will remain a caution to U.S. business on the pitfalls of acquisition based on expansion at a time when merger activity is increasing. This is especially true at present for there appears to be considerable uncertainty about the future of the Federal Trade Commission and the Justice Department will apply in deciding whether to attack an acquisition and the extent to which the concept of the concentration of economic power will stir the regulators into action.

Substantial second quarter profit gains for Philips

BY MICHAEL VAN OS

AMSTERDAM, August 17. PHILIPS, the large Dutch-based electrical and electronics company, today reported substantial increases in trading profits and net profits for the second quarter. The results tend to confirm that recovery is now well under way. Philips has maintained its earlier sales volume forecast for the full year, and in the consumer products sector, trading profits, which were 7 per cent, increased to 10 per cent. The increase in the rate of capital turnover and the decrease of the average interest-bearing capital had the effect of easing the cost of financing.

German stock market to benefit from tax change

BY PAULINE CLARK

THE introduction of an imputation system of taxation for German corporations next year could increase the size and importance of the stock market with more private companies seeking quotations, more rights issues and better yields for shareholders. These are the chief conclusions reached by London brokers, Vickers, de Costa, in an assessment of the corporation tax reforms to come into effect in West Germany from January 1 next year. The new rules will apply to all companies whose financial years end after that date.

Thin year for Woolworth

FRANKFURT, August 17. F. W. WOOLWORTH'S West German subsidiary faced somewhat ill-luck in 1978, writes Guy Hawtill. Turnover increased at about the Federal Republic's retailing average, but sales per square metre of selling space showed a small decline. Net profit at DM77.5m. (€18.3m.) was slightly above the previous year's rather disappointing level. The statement on the year, published today, says that profits were above all negatively influenced by a satisfactory inventory differences.

Procter and Gamble earnings increase

BY STEWART FLEMING

NEW YORK, Aug. 17. PROCTER AND GAMBLE, the leading U.S. soap and detergent manufacturer, has announced an increase in net earnings for its fiscal year to June 30, 1978 of 20 per cent to \$401m. from \$334m. Sales for the year were \$1.51bn. compared with \$1.41bn. in the fourth quarter of the year the company experienced an increase in sales of 9 per cent and a gain in earnings of 13 per cent.

SELECTED EURODOLLAR BOND PRICES

AFTERNOON		OFFER	
Ashland 5 1/2% 1984	10 1/2	Ashland 5 1/2% 1984	10 1/2
Ashland 6 1/2% 1984	10 1/2	Ashland 6 1/2% 1984	10 1/2
Bank of America 5 1/2% 1984	10 1/2	Bank of America 5 1/2% 1984	10 1/2
Bank of America 6 1/2% 1984	10 1/2	Bank of America 6 1/2% 1984	10 1/2
Bank of America 7 1/2% 1984	10 1/2	Bank of America 7 1/2% 1984	10 1/2
Bank of America 8 1/2% 1984	10 1/2	Bank of America 8 1/2% 1984	10 1/2
Bank of America 9 1/2% 1984	10 1/2	Bank of America 9 1/2% 1984	10 1/2
Bank of America 10 1/2% 1984	10 1/2	Bank of America 10 1/2% 1984	10 1/2
Bank of America 11 1/2% 1984	10 1/2	Bank of America 11 1/2% 1984	10 1/2
Bank of America 12 1/2% 1984	10 1/2	Bank of America 12 1/2% 1984	10 1/2
Bank of America 13 1/2% 1984	10 1/2	Bank of America 13 1/2% 1984	10 1/2
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Bank of America 97 1/2% 1984	10 1/2	Bank of America 97 1/2% 1984	10 1/2
Bank of America 98 1/2% 1984	10 1/2	Bank of America 98 1/2% 1984	10 1/2
Bank of America 99 1/2% 1984	10 1/2	Bank of America 99 1/2% 1984	10 1/2
Bank of America 100 1/2% 1984	10 1/2	Bank of America 100 1/2% 1984	10 1/2

MEPC LIMITED

US \$38,000,000 Medium-Term Loan

managed by

Hill Samuel & Co. Limited Morgan Grenfell & Co. Limited

and provided by

Australia and New Zealand Banking Group Limited Bank of Montreal

Barclays Merchant Bank Limited Canadian Imperial Bank of Commerce

Hill Samuel & Co. Limited Midland Bank Limited

Morgan Grenfell & Co. Limited National Westminster Bank Group

The Government of The Republic of Indonesia

U.S. \$14,200,000 floating rate loan

managed by

Grindlay Brandts Limited

and provided by

Banque Européenne de Crédit (BEC) BCCI Finance International Ltd. (Hong Kong) Grindlays Bank Limited Lloyds Bank International Limited (Singapore Branch)

Agent

Grindlay Brandts Limited

Rise gathers momentum: up 6.57 D-mark strong

BY OUR WALL STREET CORRESPONDENT

THE RECENT UPWARD trend gathered momentum on Wall Street today, following reports by the three TV networks that President Ford had the votes for the Republican presidential nomination.

The Dow Jones Industrial Average moved up 6.57 to 999.34, its highest level of the day—and the

Southern Co. moved up 1/4 to \$15 1/4, a block of 250,000 shares traded at \$15 1/4. Dillon moved ahead \$1 1/4 to \$33 1/4 on its raised quarterly dividend to 27 (24) cents per share, a 7 per cent stock dividend, plus 14 weeks of 73 (65) cents a share.

J. C. Penney rose \$2 to \$49 1/4 on higher July quarter net earnings. Honeywell rose \$1 to \$47 1/4, it raised its quarterly dividend to 40 (35) cents per share.

Xerox was active and ahead \$2 to \$60 1/4, a block of 125,000 shares traded at \$60 1/4. Procter & Gamble improved \$1 1/4 to \$56, following higher fourth quarter net earnings.

Bemis put on \$1 1/4 to \$19 1/4, it plans to repurchase up to 300,000 of its Common shares.

THE AMERICAN SE Market Value Index fell 0.15 to 103.74, while declines led advances by 325 to 263.

Resorts International "A" the most active issue, rose \$1 to \$71 on a volume of 60,000 shares.

Houston Oil and Mineral were active and up \$1 1/4 to \$31 1/4. Crutcher Resources were up \$1 to \$10 1/4, La Quinta Motor Inns, \$1 to \$7 1/4, and Rust Craft Creeting Cards, \$1 to \$8 1/4.

Canada firm Canadian Stock Markets were in high trading yesterday. The Industrial Share Index rose

0.63 to 189.13. Base Metals 0.15 to 92.57, Western Oils 1.34 to 229.54, Utilities 1.22 to 148.03, Banks 1.42 to 31.69 and Papers 0.19 to 119.47. Only Gold, off 1.15 at 254.38, moved against the general trend.

Bank of Nova Scotia rose \$1 to \$43, but Bank of Montreal rose \$1 to \$15 1/4 on lower quarter and nine months earnings.

Alberta Gas Trunk "A" were up \$1 1/4 to \$14, as were Western Transmission at \$25. Bell Canada gained \$1 1/4 to \$41, but British Columbia Forest Products declined \$1 to \$22.

PARIS—French shares mainly lost ground in a very quiet post-week-end session, although there were some signs of resistance. The improvement of the French franc in relation to the dollar had not managed to dispel the overall lack of enthusiasm.

Borl recovered Frs.17 to 265. Portfolios, Metals and Chemicals mostly improved while the majority of Foods, Motors and Textiles declined.

THE FOREIGN sector, generally, was better, with General Motors and ITT gaining in Americans and BASF and Bayer in Germans.

AMSTERDAM—Prices fell for the second successive session. Among international, Philips were off Fls.0.80, after the Phillips of its first six months trading.

Banks, Insurance, Transportation and Dutch Industrials declined sharply over a broad front.

Bond Market losses averaged Fls.1 to Fls.2.

SWITZERLAND—Most sectors mixed, ending the recent uptrend. Swiss issues were generally higher during the day, but many shares eased near the close.

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NEW YORK DOW JONES

Aug. 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31

High Low High Low High Low High Low High Low High Low High Low High Low

Industrial 999.34 997.74 996.14 994.54 992.94 991.34 989.74 988.14 986.54 984.94 983.34 981.74 980.14 978.54 976.94 975.34

Composite 104.00 103.80 103.60 103.40 103.20 103.00 102.80 102.60 102.40 102.20 102.00 101.80 101.60 101.40 101.20 101.00

Ind. div. yield 3.83 3.83 3.83 3.83 3.83 3.83 3.83 3.83 3.83 3.83 3.83 3.83 3.83 3.83 3.83 3.83

Ind. P/E Ratio 12.77 12.83 12.87 12.91 12.95 12.99 13.03 13.07 13.11 13.15 13.19 13.23 13.27 13.31 13.35 13.39

Long Govt. Bond yield 8.84 8.84 8.84 8.84 8.84 8.84 8.84 8.84 8.84 8.84 8.84 8.84 8.84 8.84 8.84 8.84

STANDARD AND POORE

Aug. 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31

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Industrial 117.24 116.84 116.44 116.04 115.64 115.24 114.84 114.44 114.04 113.64 113.24 112.84 112.44 112.04 111.64 111.24

Composite 104.00 103.80 103.60 103.40 103.20 103.00 102.80 102.60 102.40 102.20 102.00 101.80 101.60 101.40 101.20 101.00

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OVERSEAS SHARE INFORMATION

NEW YORK

Aug. 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31

High Low High Low High Low High Low High Low High Low High Low High Low

Alcoa 40 40 40 40 40 40 40 40 40 40 40 40 40 40 40 40

Amalgamated 30 30 30 30 30 30 30 30 30 30 30 30 30 30 30 30

Amstar 20 20 20 20 20 20 20 20 20 20 20 20 20 20 20 20

Armco 30 30 30 30 30 30 30 30 30 30 30 30 30 30 30 30

Aviation 20 20 20 20 20 20 20 20 20 20 20 20 20 20 20 20

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NEW YORK, August 17.

Banks generally improved, while Chemicals were steady. Other sectors were mixed.

MILAN—Again weak, with further losses averaging 1 per cent. Most trading was due to technical factors, also by the suspension of PA Electric shares after the company demanded Commissioner Management.

VIENNA—Market fluctuated narrowly, with a slight majority of losses. Bank Preferred stocks continued slightly higher while Breweries and Construction were little changed.

COPENHAGEN—Higher in fair dealing.

GERMANY—Mainly higher on foreign buying, prompted by the continued rise of the Deutsche mark.

Deutsche Bank advanced DM4.20 to DM23.70, Commerzbank DM2.70 to DM18.50 and Dresdner DM1.70 to DM22.70.

In Electricals, AEG rose DM2.50 to DM22.20.

On the Fixed-Interest Market, the new Federal Bond issue was 0.60 per cent above its issue price, while older Public Sector issues finished up to 0.20 per cent higher.

AUSTRALIA—Although trading was erratic and volume low, operators were clearly anticipating a business orientated Budget.

Most Building Materials were bid higher and there was support for Property Developers.

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GOLD MARKET

	Aug. 17	Aug. 18
Gold Bullion (in ounces)	1111.10-1112.10	1112.10-1113.10
Gold Bars (in ounces)	1111.10-1112.10	1112.10-1113.10
Gold Coins (in ounces)	1111.10-1112.10	1112.10-1113.10
Gold Jewellery (in ounces)	1111.10-1112.10	1112.10-1113.10
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conditions to \$1111-1112, a loss of \$1111-1112 (1961-62) for domestic delivery from \$1111-1112 (1961-62) previously. Its premium over the dollar against \$1111-1112 on cost in domestic dealings, and narrowed to 3.24 per cent international over the previous common cost of 3.45 per cent.

The West German mark continued to strengthen its position. The Kruggerand, closed at \$1111-1112 (1961-62) for domestic delivery from \$1111-1112 (1961-62) previously. Its premium over the dollar against \$1111-1112 on cost in domestic dealings, and narrowed to 3.24 per cent international over the previous common cost of 3.45 per cent.

The French franc improved to Frs.4.93 from Frs.5.00 against the dollar on reports that the French finance minister M. Jean Pierre Fourcade would announce measures in the near future, to protect the franc against further depreciation. The Japanese yen finished at Y294 against Y290.

Sterling gained ground over the dollar closing at better at \$1.7860-1.7870. The pound opened at \$1.7750-1.7760 and at one stage rose to \$1.7850. This mainly reflected the generally weaker position of the dollar since the trade weighted average depreciation of the pound over the last 12 months had changed at 3.1 per cent, having been wider at noon and in early dealings at 3.2 per cent. The U.S. dollar came on offer in most financial centres and its depreciation on a Morgan Guaranty basis, using noon rates in New York, widened to 2.22 per cent from 1.92 per cent on Monday.

Gold drifted further in nervousness.

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STANDARD AND POORE

Aug.

J.K. farm exports up 32%

Annual Times Reporter
The U.K. is exporting more wool than it has for 10 years, according to the first half of 1976 they say. The increase of 32 per cent, compared with the same period last year, is a record value of £77.5m.

John Percin, director of the British Agricultural Export Council, said: "At the moment we are well set to pass our total of £1.27m. This is a tribute to the efforts and co-operation of our exporters and to the potential of our wool products."

The first six months of the agricultural machinery season has seen a rise of 27 per cent, to £380m. Agricultural sales and animal feeds rose 10 per cent to £106m, and dairy produce by 51 per cent to £275m.

Mr Percin's immediate plans for a major sales mission to the U.S. and Canada in the autumn will be at the Port of Fair. A top level planning committee will visit the U.S. in September, arrangements being made for a mission from the USSR to the U.S. from East Germany in June.

Mr Percin said: "Agriculture in this year so far is doing well. We are exploring overseas markets and to promote products vigorously in an increasingly competitive world."

Opening Australian wool prices below forecast

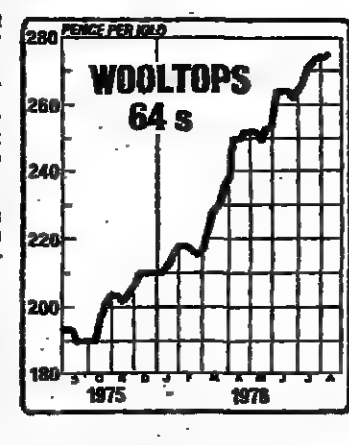
By John Edwards, Commodities Editor

THE AUSTRALIAN 1976-77 wool selling season opened yesterday with higher prices at both the Melbourne and Sydney auctions. With the exception of carding wools, which were up to 10 per cent, the rest of the season's wool was viewed by the trade as disappointing; rather an anti-climax after the bigger rises anticipated in some quarters.

The average market indicator price, taking into account wools of all types, was 260 Australian cents a kilo clean compared with 250 cents at the end of last season and the end of last season's wool was 234 cents.

The price of 21 micron wool, on which last season's floor price was based, rose to 251 cents yesterday against 267 cents at the end of last season. The "floor" price for this grade of wool has been raised this season to 275 cents compared with 250 cents in 1975-76. But going down the quality scale, the price of carding wools still remains very heavy despite some reduction in recent months.

Latest available figures put the Australian Wool Corporation's holdings at around 1.3m.



bales—still a large amount—while New Zealand holdings are estimated to be less than 50,000 bales and South Africa around 100,000 bales.

At the same time it is believed that buyers of raw wool have generally built up their stocks again, from the low levels plumbed previously, but what is not known is how far this restocking process has continued down the supply pipeline. Some buyers still remain very heavy in demand for wool has already been discounted by the rise in prices that has taken them to the highest level since the 1973 boom.

The points out that the artificial holding up of the market by the Australian Wool Corporation preventing prices from falling too low automatically means that the upward reaction will be restrained too, with other words, although traders are loath to admit it, the Corporation has been partly successful in smoothing out price movements by its massive intervention in the market. Whether this would have been achieved more efficiently, and cheaper, by the use of free market forces, a point for debate.

Downward trend in metals

By Our Commodities Staff

COPPER PRICES on the London Metal Exchange yesterday lost virtually all the gains made on Monday as buying interest faded away. Profit-taking selling on an unresponsive market brought cash wirebars down by 21.25 to £85.25 a tonne, much the same as Friday's level.

Tin values also lost ground again, following the continued downward trend in Penang, which fell by a further 5.50 to £125.50 a cwt. London was held up initially by Continental physical demand and some U.S. covering, but then fell away in later trading accelerated by short-selling. Cash tin closed 2.5 lower at £4,512 a tonne.

Lead and zinc followed the general downward trend in copper, although losses in zinc were marginal. Meanwhile, Cobalt, the Canadian mine producer, continued to be raising the U.S. zinc price by three cents to 40 cents a lb in line with the recent increases announced by several, but not all, U.S. producers.

Silver lining for Scottish farmers

By A Correspondent

College of Agriculture, quoted a little below last year's 11-12 tons per acre, but sees possibilities of more bulking if we get two or three inches of rain over the next month. The Scottish crop has the advantage of being later than the English crop, which he reckons is past any help from the rain now.

He quoted seed prices from £200 to over £400 per ton, with the seed crop there now, and all the rain for it to see how much bulk subsequent rains may produce. While there are 30,000 extra acres of potatoes in the U.K. this year, he doubts whether it will manage to export to Britain as 300,000 tons, which they supplied last year, since he sees the situation in Europe as being even worse than in 1975.

The consequences of the small grain size of this year's crop have not been missed by the malsters. Poorest quality malting samples are taking the normal 13 per cent premium over feed grain prices, and the best are making double this. Prices up to £90 per ton are not uncommon.

I recently sold at £83 per ton, off the combine, grain that one would normally not even consider offering for malting. Buyers do not even ask the name of the variety. They are only interested in grain size, since with large grain size goes good bushel weight and low nitrogen readings.

Malsters have never been so tolerant of high nitrogen barley. Samples showing over 1.5 per cent nitrogen are being accepted with bushel weights as low as 50 lbs being taken. It really makes one wonder just what is a malting sample, other than the best grain on the harvest.

Whatever the difficulties of the malsters this year, it looks like being a very good one for the growers, especially those in the damper areas.

Potatoes look like once more becoming a "dream crop" for Scottish growers. John L. Macleod, vice chairman of the Potato Marketing Board, reckons that there is still a lot of potential in the Scottish maincrop.

He expects yields to come out a little better than last year's.

Winter fodders

In the livestock sector, things vary very much from east to west. The west coast areas have never been short of water. In the east, the drought has had a great effect on the quality of excellent hay and silage cuts. On our farms, there has been little recovery after cutting, but at least things have remained green, thanks to occasional showers.

Winter fodders are not likely to be very short in supply, but to the lack of aftermaths might affect the weaned calf sales which are about to begin.

Beef cow numbers fell by 4 per cent last year, and the slightly shorter supply of calves, together with the high fast-track price and the undoubtedly considerable profitability of the hard pressed suckler herdsmen. They tell me they are expecting 500 per cent (about £100 per calf, compared with about £10 last year) the money that will be in line in many Scottish suckler farmers' pockets this year, they may well get it.

S. predict port cut

By Our Commodities Staff

SOYABEAN exports in 1976 are expected to decline about 10 per cent from the 1975-76 level of 15.4m. tonnes according to the U.S. Agriculture Department (USDA).

This soyabean meal futures price is modestly lower in line with overnight movement in the market there being with a turnover of 101 lots, London price finished £2.10 0 lower with December at a 100.

After a tour of growing areas in the U.S., Mr. Gilberto Arango, president of the Colombian Coffee Exporters Association, said at least 10 per cent of his country's current crop had been damaged and added that unless it rained abundantly in the next two days "the fall in output could easily exceed 500,000 bags."

Following his recent trip to Africa, Mr. Benjamin Belinky, president of the Brazilian Soluble Coffee Industries Association, has stated that it will be almost impossible for Brazil to buy coffee there for immediate shipment.

Drought hits Colombian coffee

By Richard Mooney

A WARNING that drought could cut Colombian coffee output by over 500,000 bags (50 kilos each) of an expected crop of 2.5m. bags, had little effect on London terminal market prices yesterday. Futures prices opened higher, despite reports of warmer weather in Panama, but eased back before the morning was out.

A further fall took place in the afternoon, following a lower bid in New York but by the close prices had recovered to near the day's peaks with the November position £2.10 up at £1,650.5 a tonne.

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London. Meanwhile the weather forecast is not hopeful. The National Weather Institute says there will be no rains in Colombia during August. As Mr. Arango London noted "it would be exceptional if it rained soon."

However, some London traders felt that the lower Colombian output had already been discounted by the market while others noted that virtually no Colombian coffee had been traded in London for some time. All agreed that Monday's sharp rise, and the subsequent adjustment, had overshadowed any effect the Colombian news might have had. Nevertheless, with the world supply situation already looking extremely tight any further cut in Colombian output would be bound to have an upward effect on world prices eventually.

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Mr. Belinky, who visited African producers after taking part in negotiations for Brazil's coffee purchase from El Salvador, said the Ivory Coast has about 300,000 bags available for export. Angola has more than 400,000 and Madagascar around 300,000. He considered the possibility of buying from these stocks. But since Brazil's soluble coffee industry does not need the coffee immediately, he thought it preferable to wait for the new harvest and buy from 1977-78 crops.

He said attempts to buy 1975-1976 robustas from origin or on the London market would put too much pressure on prices which was not in Brazil's interests. Brazil wants to buy coffee for its soluble industry which consumes 2m. bags a year, and not for speculative reasons, he declared.

Forthcoming robusta crops in Africa could be large enough to supply Brazil with up to 800,000 bags a year for two to three years, Mr. Belinky said. Brazil's exportable production next year will not exceed 2.5m. bags, which will make the position of the soluble industry very difficult, he added.

Sugar values advance

By Our Commodities Staff

WEST GERMANY still hopes for a 1976-77 sugar output of 2.2-2.5m. tonnes. Recent beet growth has been relatively good, according to sugar industry sources, but further rain will be needed if this is to be maintained.

The initial crop target was 2.6m. tonnes, against 2.32m. on a lower crop area in 1975-76.

Results of the second West German beet harvest carried out on August 13, show an average beet weight of 483 grammes compared with 473 a year ago and a 1965-75 average of 480 grammes. Sugar content was down to 14.1 per cent from 14.3 a year ago.

On the London terminal market, futures moved higher despite an absence of fundamental news. The December position closed £2.25 up at £167.325 a ton.

Below normal

A leading Aberdeen grain buyer summed up the year as one of great anomalies. He described three samples of barley from the same farm as varying from "putte rubbish" to excellent malting quality. As he so aptly put it "the quality comes from where the water was in the fields."

As late as a month ago, experts in Scotland might have expected exceptionally high yields, since crops were looking very thick and head population per acre very high.

However, the effects of the drought and the unusually high incidence of mildew, prevented the proper filling of the grains. Consequently yields are not low, but grain size is small.

London G.M. crop husbandry adviser with the East of Scotland

Lower pineapple output

THE PHILIPPINES and the Ivory Coast have been quick to exploit a reduction in pineapple canning in Hawaii. According to a special report by the UN Food and Agriculture Organisation (FAO), reports AP-Dow Jones from Rome, But Thailand and Kenya made lesser gains despite their large production.

Worldwide, pineapple canning has been reduced sharply from the 1971 peak of \$83,000 tonnes, the report shows. The pineapple canning industry in Hawaii, which produced 250,000 tonnes was produced last year against 381,000 in 1971—mainly because of a reduction in acreage.

Kenya the report says, "is still in a comparatively early stage of development, and considerable expansion is planned."

Lower pineapple output

Production has slipped in both Malaysia and Taiwan but the main cut was in Hawaii where 250,000 tonnes was produced last year against 381,000 in 1971—mainly because of a reduction in acreage.

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COMMODITY MARKET REPORTS AND PRICES

COPPER			
Month	Official	Unofficial	Change
1976-77	251.0	251.0	+10.0
1975-76	241.0	241.0	-
1974-75	231.0	231.0	-
1973-74	221.0	221.0	-
1972-73	211.0	211.0	-
1971-72	201.0	201.0	-
1970-71	191.0	191.0	-
1969-70	181.0	181.0	-
1968-69	171.0	171.0	-
1967-68	161.0	161.0	-
1966-67	151.0	151.0	-
1965-66	141.0	141.0	-
1964-65	131.0	131.0	-
1963-64	121.0	121.0	-
1962-63	111.0	111.0	-
1961-62	101.0	101.0	-
1960-61	91.0	91.0	-
1959-60	81.0	81.0	-
1958-59	71.0	71.0	-
1957-58	61.0	61.0	-
1956-57	51.0	51.0	-
1955-56	41.0	41.0	-
1954-55	31.0	31.0	-
1953-54	21.0	21.0	-
1952-53	11.0	11.0	-
1951-52	1.0	1.0	-

COCOA

Month	Official	Unofficial	Change
1976-77	1.50	1.50	+0.05
1975-76	1.45	1.45	-
1974-75	1.40	1.40	-
1973-74	1.35	1.35	-
1972-73	1.30	1.30	-
1971-72	1.25	1.25	-
1970-71	1.20	1.20	-
1969-70	1.15	1.15	-
1968-69	1.10	1.10	-
1967-68	1.05	1.05	-
1966-67	1.00	1.00	-
1965-66	0.95	0.95	-
1964-65	0.90	0.90	-
1963-64	0.85	0.85	-
1962-63	0.80	0.80	-
1961-62	0.75	0.75	-
1960-61	0.70	0.70	-
1959-60	0.65	0.65	-
1958-59	0.60	0.60	-
1957-58	0.55	0.55	-
1956-57	0.50	0.50	-
1955-56	0.45	0.45	-
1954-55	0.40	0.40	-
1953-54	0.35	0.35	-
1952-53	0.30	0.30	-
1951-52	0.25	0.25	-
1950-51	0.20	0.20	-
1949-50	0.15	0.15	-
1948-49	0.10	0.10	-
1947-48	0.05	0.05	-
1946-47	0.00	0.00	-

SUGAR

Month	Official	Unofficial	Change
1976-77	1.50	1.50	+0.05
1975-76	1.45	1.45	-
1974-75	1.40	1.40	-
1973-74	1.35	1.35	-
1972-73	1.30	1.30	-
1971-72	1.25	1.25	-
1970-71	1.20	1.20	-
1969-70	1.15	1.15	-
1968-69	1.10	1.10	-
1967-68	1.05	1.05	-
1966-67	1.00	1.00	-
1965-66	0.95	0.95	-
1964-65	0.90	0.90	-
1963-64	0.85	0.85	-
1962-63	0.80	0.80	-
1961-62	0.75	0.75	-
1960-61	0.70	0.70	-
1959-60	0.65	0.65	-
1958-59	0.60	0.60	-
1957-58	0.55	0.55	-
1956-57	0.50	0.50	-
1955-56	0.45	0.45	-
1954-55	0.40	0.40	-
1953-54	0.35	0.35	-
1952-53	0.30	0.30	-
1951-52	0.25	0.25	-
1950-51	0.20	0.20	-
1949-50	0.15	0.15	-
1948-49	0.10	0.10	-
1947-48	0.05	0.05	-
1946-47	0.00	0.00	-

COFFEE

Month	Official	Unofficial	Change
1976-77	1.50	1.50	+0.05
1975-76	1.45	1.45	-
1974-75	1.40	1.40	-
1973-74	1.35	1.35	-
1972-73	1.30	1.30	-
1971-72	1.25	1.25	-
1970-71	1.20	1.20	-
1969-70	1.15	1.15	-
1968-69	1.10	1.10	-
1967-68	1.05	1.05	-
1966-67	1.00	1.00	-
1965-66	0.95	0.95	-
1964-65	0.90	0.90	-
1963-64	0.85	0.85	-
1962-63	0.80	0.80	-
1961-62	0.75	0.75	-
1960-61	0.70	0.70	-
1959-60	0.65	0.65	-
1958-59	0.60	0.60	-
1957-58	0.55	0.55	-
1956-57	0.50	0.50	-
1955-56	0.45	0.45	-
1954-55	0.40	0.40	-
1953-54	0.35	0.35	-
1952-53	0.30	0.30	-
1951-52	0.25	0.25	-
1950-51	0.20	0.20	-
1949-50	0.15	0.15	-
1948-49	0.10	0.10	-
1947-48	0.05	0.05	-
1946-47	0.00	0.00	-

PRICE CHANGES

PRICE CHANGES			
Prices per ton unless otherwise stated.	Aug. 14	Aug. 15	Aug. 16
Metals			
Aluminum ingots.....	\$256.65		\$256.65
Copper ingots with 99.95 pct.....	\$196.95		\$196.95
Gold wire from India.....	\$287.25	-12.00	\$275.25
Iron and steel with 99.95 pct.....	\$187.50	-12.00	\$175.50
Lead ingots with 99.95 pct.....	\$175.75	-12.00	\$163.75
Nickel ingots with 99.95 pct.....	\$111.50	-12.00	\$99.50
Platinum ingots with 99.95 pct.....	\$1,315.00	-12.00	\$1,303.00
Silver ingots with 99.95 pct.....	\$276.25	-12.00	\$264.25
Steel ingots with 99.95 pct.....	\$165.00	-12.00	\$153.00
Free Market.....	\$1,427.00		\$1,427.00
Free Market.....	\$1,427.00		\$1,427.00
Free Market.....	\$1,427.00		\$1,427.00
Free Market.....	\$1,427.00		\$1,427.00
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AUTHORISED UNIT TRUSTS

Unit Tr. Mgrs. Ltd. (a/c) 1. Unit Tr. Mgrs. Ltd. (a/c) 2. Unit Tr. Mgrs. Ltd. (a/c) 3. Unit Tr. Mgrs. Ltd. (a/c) 4. Unit Tr. Mgrs. Ltd. (a/c) 5. Unit Tr. Mgrs. Ltd. (a/c) 6. Unit Tr. Mgrs. Ltd. (a/c) 7. Unit Tr. Mgrs. Ltd. (a/c) 8. Unit Tr. Mgrs. Ltd. (a/c) 9. Unit Tr. Mgrs. Ltd. (a/c) 10. Unit Tr. Mgrs. Ltd. (a/c)	Bridge House Unit Tr. Mgrs. (a/c) 1. Bridge House Unit Tr. Mgrs. (a/c) 2. Bridge House Unit Tr. Mgrs. (a/c) 3. Bridge House Unit Tr. Mgrs. (a/c) 4. Bridge House Unit Tr. Mgrs. (a/c) 5. Bridge House Unit Tr. Mgrs. (a/c) 6. Bridge House Unit Tr. Mgrs. (a/c) 7. Bridge House Unit Tr. Mgrs. (a/c) 8. Bridge House Unit Tr. Mgrs. (a/c) 9. Bridge House Unit Tr. Mgrs. (a/c) 10. Bridge House Unit Tr. Mgrs. (a/c)	G.T. Unit Managers Ltd. 1. G.T. Unit Managers Ltd. 2. G.T. Unit Managers Ltd. 3. G.T. Unit Managers Ltd. 4. G.T. Unit Managers Ltd. 5. G.T. Unit Managers Ltd. 6. G.T. Unit Managers Ltd. 7. G.T. Unit Managers Ltd. 8. G.T. Unit Managers Ltd. 9. G.T. Unit Managers Ltd. 10. G.T. Unit Managers Ltd.	Kleinwort Benson Unit Managers 1. Kleinwort Benson Unit Managers 2. Kleinwort Benson Unit Managers 3. Kleinwort Benson Unit Managers 4. Kleinwort Benson Unit Managers 5. Kleinwort Benson Unit Managers 6. Kleinwort Benson Unit Managers 7. Kleinwort Benson Unit Managers 8. Kleinwort Benson Unit Managers 9. Kleinwort Benson Unit Managers 10. Kleinwort Benson Unit Managers	Mercury Fund Managers Ltd. 1. Mercury Fund Managers Ltd. 2. Mercury Fund Managers Ltd. 3. Mercury Fund Managers Ltd. 4. Mercury Fund Managers Ltd. 5. Mercury Fund Managers Ltd. 6. Mercury Fund Managers Ltd. 7. Mercury Fund Managers Ltd. 8. Mercury Fund Managers Ltd. 9. Mercury Fund Managers Ltd. 10. Mercury Fund Managers Ltd.	Pennycuik Unit Tr. Mgrs. Ltd. (a/c) 1. Pennycuik Unit Tr. Mgrs. Ltd. (a/c) 2. Pennycuik Unit Tr. Mgrs. Ltd. (a/c) 3. Pennycuik Unit Tr. Mgrs. Ltd. (a/c) 4. Pennycuik Unit Tr. Mgrs. Ltd. (a/c) 5. Pennycuik Unit Tr. Mgrs. Ltd. (a/c) 6. Pennycuik Unit Tr. Mgrs. Ltd. (a/c) 7. Pennycuik Unit Tr. Mgrs. Ltd. (a/c) 8. Pennycuik Unit Tr. Mgrs. Ltd. (a/c) 9. Pennycuik Unit Tr. Mgrs. Ltd. (a/c) 10. Pennycuik Unit Tr. Mgrs. Ltd. (a/c)	J. Henry Schroder Wagg & Co. Ltd. 1. J. Henry Schroder Wagg & Co. Ltd. 2. J. Henry Schroder Wagg & Co. Ltd. 3. J. Henry Schroder Wagg & Co. Ltd. 4. J. Henry Schroder Wagg & Co. Ltd. 5. J. Henry Schroder Wagg & Co. Ltd. 6. J. Henry Schroder Wagg & Co. Ltd. 7. J. Henry Schroder Wagg & Co. Ltd. 8. J. Henry Schroder Wagg & Co. Ltd. 9. J. Henry Schroder Wagg & Co. Ltd. 10. J. Henry Schroder Wagg & Co. Ltd.	Target Trust Mgrs. (Scotland) (a/c) 1. Target Trust Mgrs. (Scotland) (a/c) 2. Target Trust Mgrs. (Scotland) (a/c) 3. Target Trust Mgrs. (Scotland) (a/c) 4. Target Trust Mgrs. (Scotland) (a/c) 5. Target Trust Mgrs. (Scotland) (a/c) 6. Target Trust Mgrs. (Scotland) (a/c) 7. Target Trust Mgrs. (Scotland) (a/c) 8. Target Trust Mgrs. (Scotland) (a/c) 9. Target Trust Mgrs. (Scotland) (a/c) 10. Target Trust Mgrs. (Scotland) (a/c)
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REGIONAL MARKETS

Selection of the share prices previously shown under regional headings is set below with quotations on London Stock Exchange, most of which are not listed in London, are shown separately with prices as on the 17th.

Region	Share	Price
London	100	100.00
London	100	100.00
London	100	100.00
London	100	100.00
London	100	100.00
London	100	100.00
London	100	100.00
London	100	100.00
London	100	100.00
London	100	100.00

Region	Share	Price
London	100	100.00
London	100	100.00
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London	100	100.00
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London	100	100.00
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Region	Share	Price
London	100	100.00
London	100	100.00
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Region	Share	Price
London	100	100.00
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Region	Share	Price
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Region	Share	Price
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Region	Share	Price
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Region	Share	Price
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Region	Share	Price
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Region	Share	Price
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Region	Share	Price
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Region	Share	Price
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Region	Share	Price
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London	100	100.00
London	100	100.00
London	100	100.00

INSURANCE, PROPERTY, BONDS

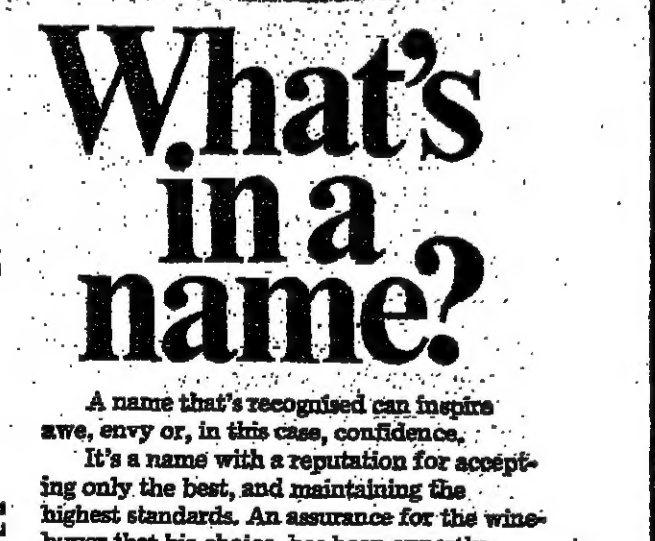
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OFFSHORE AND OVERSEAS FUNDS

Albany Fund Management Co. Ltd. 1. Albany Fund Management Co. Ltd. 2. Albany Fund Management Co. Ltd. 3. Albany Fund Management Co. Ltd. 4. Albany Fund Management Co. Ltd. 5. Albany Fund Management Co. Ltd. 6. Albany Fund Management Co. Ltd. 7. Albany Fund Management Co. Ltd. 8. Albany Fund Management Co. Ltd. 9. Albany Fund Management Co. Ltd. 10. Albany Fund Management Co. Ltd.	Cornhill Ins. (Guernsey) Ltd. 1. Cornhill Ins. (Guernsey) Ltd. 2. Cornhill Ins. (Guernsey) Ltd. 3. Cornhill Ins. (Guernsey) Ltd. 4. Cornhill Ins. (Guernsey) Ltd. 5. Cornhill Ins. (Guernsey) Ltd. 6. Cornhill Ins. (Guernsey) Ltd. 7. Cornhill Ins. (Guernsey) Ltd. 8. Cornhill Ins. (Guernsey) Ltd. 9. Cornhill Ins. (Guernsey) Ltd. 10. Cornhill Ins. (Guernsey) Ltd.	Hambro (Guernsey) Limited 1. Hambro (Guernsey) Limited 2. Hambro (Guernsey) Limited 3. Hambro (Guernsey) Limited 4. Hambro (Guernsey) Limited 5. Hambro (Guernsey) Limited 6. Hambro (Guernsey) Limited 7. Hambro (Guernsey) Limited 8. Hambro (Guernsey) Limited 9. Hambro (Guernsey) Limited 10. Hambro (Guernsey) Limited	Kleinwort Benson Limited 1. Kleinwort Benson Limited 2. Kleinwort Benson Limited 3. Kleinwort Benson Limited 4. Kleinwort Benson Limited 5. Kleinwort Benson Limited 6. Kleinwort Benson Limited 7. Kleinwort Benson Limited 8. Kleinwort Benson Limited 9. Kleinwort Benson Limited 10. Kleinwort Benson Limited	Old Court Commodity Fd. Mgrs. Ltd. 1. Old Court Commodity Fd. Mgrs. Ltd. 2. Old Court Commodity Fd. Mgrs. Ltd. 3. Old Court Commodity Fd. Mgrs. Ltd. 4. Old Court Commodity Fd. Mgrs. Ltd. 5. Old Court Commodity Fd. Mgrs. Ltd. 6. Old Court Commodity Fd. Mgrs. Ltd. 7. Old Court Commodity Fd. Mgrs. Ltd. 8. Old Court Commodity Fd. Mgrs. Ltd. 9. Old Court Commodity Fd. Mgrs. Ltd. 10. Old Court Commodity Fd. Mgrs. Ltd.	Target Trust Mgrs. (Cayman) Ltd. 1. Target Trust Mgrs. (Cayman) Ltd. 2. Target Trust Mgrs. (Cayman) Ltd. 3. Target Trust Mgrs. (Cayman) Ltd. 4. Target Trust Mgrs. (Cayman) Ltd. 5. Target Trust Mgrs. (Cayman) Ltd. 6. Target Trust Mgrs. (Cayman) Ltd. 7. Target Trust Mgrs. (Cayman) Ltd. 8. Target Trust Mgrs. (Cayman) Ltd. 9. Target Trust Mgrs. (Cayman) Ltd. 10. Target Trust Mgrs. (Cayman) Ltd.
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NOTES

Notes regarding the funds, including details of investments, risks, and contact information for the fund managers.



What's in a name?

A name that's recognised can inspire awe, envy or, in this case, confidence. It's a name with a reputation for accepting only the best, and maintaining the highest standards. An assurance for the wine-buyer that his choice has been expertly selected and carefully shipped.

A very good wine reasonably priced. Distinguishing it from the ranks of all the rest.

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TRUSTS—Continued[illegible][illegible]

Cover relates to previous dividend, P/E ratio of annual earnings, a Foreward dividend; cover of dividends by earnings. * Tax free income. ** Dividend yield ratios for currency classes. % Dividend covered on margin. + Dividend covered by cash payment. - Dividend does not apply to stock. A Net dividend and yield. B Preference dividend deferred. C Dividend coverage based on book value and dividend yield after pending scrip and/or shares. D Dividend and yield based on prospectus or other official estimates for 1976-77. E Dividend coverage based on prospectus or other official estimates for 1978-79. F Dividend coverage based on prospectus or other official estimates for 1979-80. G Other. H Future assumed. I Dividend Corporation Tax payable. J Dividend listed.

Abbreviations: w as dividend; v as scrip issue
+ as all v as explicit distribution.

"Recent Issues" and "Rights"

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Stock Exchanges throughout the United States
at \$225 per annum for each year.

DIVIDENDS		Div Yr	Div Per Share	Yld Cm	Yld Cm
Q195	Q195	0.15	0.15	17.13	17.13
Q196	Q196	0.15	0.15	17.13	17.13
Q197	Q197	0.15	0.15	17.13	17.13
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